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CONTENTS

30 January 1991

POLITICAL

BULGARIA

| | |
|---|---|
| Poll on Relations With USSR, Warsaw Pact [POGLED 12 Nov] | 1 |
| Biography, Legal Views of Supreme Court Chairman [168 CHASA 27 Nov] | 2 |
| Leaders of Extraparlimentary Parties Interviewed | 4 |
| New Democracy [DUMA 6 Dec] | 4 |
| Christian Republican Party [DUMA 6 Dec] | 5 |

CZECHOSLOVAKIA

| | |
|---|---|
| 'Parallels' Between Slovak, Hungarian Politics [LIDOVE NOVINY 20 Dec] | 6 |
| CTK's Director Defends His Left-Wing Views [KVETY 30 Nov] | 7 |

HUNGARY

| | |
|---|----|
| Increased Soviet Visits at Budapest UN Office [NEPSZABADSAG 11 Dec] | 10 |
| Proposed New House Rules Described [MAGYAR HIRLAP 10 Dec] | 11 |
| Local Police as Independent Legal Entities [MAGYAR HIRLAP 7 Dec] | 12 |

POLAND

| | |
|--|----|
| POLITYKA Weekly News Roundup: 2-8 Dec [POLITYKA 8 Dec] | 14 |
| Concerns Over Soviet Troop Transit From GDR [POLITYKA 8 Dec] | 16 |
| Border Treaty, Future German Relations Viewed [GAZETA WYBORCZA 14 Nov] | 18 |
| Senator Favors Silesian Bridge-Building Role [RZECZPOSPOLITA 10 Dec] | 21 |

YUGOSLAVIA

| | |
|---|----|
| Human Rights Activist on Meeting With Alia [DANAS 1 Jan] | 24 |
| Charter of Serbian Autonomous Region of Krajina [BORBA 4 Jan] | 25 |
| Constitutional Court President Interviewed [BORBA 1-2 Dec] | 28 |

ECONOMIC

CZECHOSLOVAKIA

| | |
|--|----|
| Finance Minister Explains Some of His Ideas [LIDOVE NOVINY 20 Dec] | 33 |
|--|----|

POLAND

| | |
|---|----|
| French Cooperation Agreement Assists Enterprises [Paris LE MONDE 6 Dec] | 34 |
| Terms for 1991 Enterprise Operations Proposed [RZECZPOSPOLITA 27 Nov] | 35 |
| Economic Experts Pose New Courses of Action | 40 |
| Government of Experts [GAZETA WYBORCZA 10 Dec] | 40 |
| Information Sharing [GAZETA WYBORCZA 10 Dec] | 41 |
| Surtax Issue [GAZETA WYBORCZA 10 Dec] | 41 |
| Privatization of Norblin Off to 'False Start' [POLITYKA 8 Dec] | 42 |

BULGARIA

Poll on Relations With USSR, Warsaw Pact

91BA0160A Sofia POGLED in Bulgarian 12 Nov 90 p 5

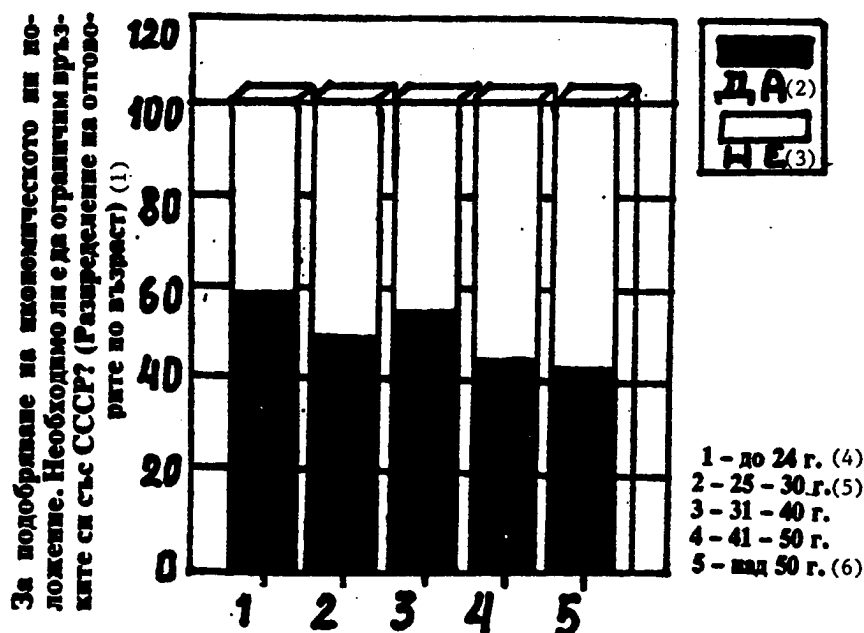
[Article by Albena Koleva and Galya Krusteva: "Bulgarian Attitude Toward the Soviet Union as Reflected in 700 Survey Cards: Between Emotion and Pragmatism"]

[Text] No more than 30 percent of respondents were in favor of retaining the present nature of our ties to the USSR. Another 30 percent favored a radical reorientation of Bulgarian foreign policy. The remainder had no clear views. Furthermore, 61 percent opposed the idea of Bulgaria remaining a member of the Warsaw Pact.

Relations between Bulgaria and the Soviet Union have traditionally been a major topic in our social life. The drastic historical changes in Eastern Europe led a program collective of sociologists to make a quick survey on the eve of 7 November that involved citizens in various parts of the country, of different social status and ages, concerning their attitudes toward the Soviet Union. This assignment was issued to POGLED and Team No. 2 of the Information Division of the Bulgarian News Agency. For understandable reasons, the information was not

gathered for such purposes and through such methods [as published], which made even more complicated such an already complicated topic, from the historical, ideological, emotional, and sociopsychological points of view. In that sense, let it be considered that such data are an initial attempt—that is, the only purpose was to seek the opinions of a larger number of people on this subject. This is not a representative study and does not provide a complete answer to the question of attitude toward the Soviet Union. Such a task would require much more time, and more researchers and facilities.

Three basic conclusions may be drawn. First: In terms of their attitude toward the USSR, the people may be classified in the following groups: those who are in favor of maintaining the present model of relations with the Soviet Union; those who call for a radical change in the foreign policy orientations of our country; and those who have no specific political attitude toward the USSR. Second: The answers of the respondents are not strongly influenced by objective social differences among them. Third: The topic of relations between our country and the USSR is present in the awareness of the respondents usually in two different contexts: on the sociohistorical level (national security, Bulgaria's overall political orientation) and in terms of a more concrete daily sense (trade and economic problems).



Key:

1. To improve our economic situation, should we limit our relations with the USSR? (breakdown of answers by age)
2. Yes
3. No
4. 24 or under
5. 25-30
6. Over 50

The main conclusion is that, given our extreme economic and political situation, the feelings of the people toward this problem change as well. There is no monolithic attitude toward the Soviet Union, unaffected by topical events. For that reason, it is difficult to determine precisely the reasons for the various opinions. The study of the results indicates that those who are oriented toward preserving the present model of ties to the Soviet Union account for about 30 percent of the respondents. They consider the USSR the only military guarantor of our independence and believe that Bulgaria's attitude toward specific military-political problems should be consistent with the views of the USSR. In itself, this fact leads to interesting interpretations.

Meanwhile, there are approximately the same number of people who are in favor of a radical reorientation of Bulgarian foreign policy and of limiting economic relations with the Soviet Union.

As for the rest, they have no clear views at present. This disparity is found, for example, in the existing contradictoriness of the answers. Possibly, it is the result of ideological accretions and the unwillingness of the respondents to be categorical in their political assessments, or else it is the result of ordinary pragmatism.

It is interesting, although expected in the obtained results, that the attitude toward the Soviet Union is not a topic greatly influenced by differences based on sex, residence, or social status, which means that the respondents are a relatively homogeneous group in terms of these features. The data breakdown, however, enables us to claim that a certain correlation exists between this problem, on the one hand, and the age group of the people and their educational levels, on the other. We see in the older age groups a greater tendency to support an orientation of our foreign policy toward the USSR. It is important to note that the most radically inclined are not the young but the people in the middle generation (between the ages of 30 and 40). A comparison between their foreign policy views and their education, makes it clear that those favoring the most radical change are people with the highest level of education. For example, in terms of the official celebration of 7 November in our country, the data based on the age factor can be broken down as follows: against are 76 percent of those under 24, 80 percent of those under 30, 90 percent in the 31-40-year-old group, and 64 percent in the oldest age group. In the reaction to the same question, the influence of education is as follows: opposing the celebration of 7 November in our country are 90 percent of people with higher training, 79 percent with semihigher training, 83 percent with secondary school training, and 42 percent with primary educations. In a similar way, education influences the assessments of the respondents on the question of whether Bulgaria's attitude toward the crisis in the Persian Gulf should be consistent with the views of the USSR. Favoring Bulgaria's independent position are 85 percent of those with higher training, 78 percent

of those with semihigher training, 83 percent of those with secondary school training, and 55 percent of those with primary educations.

The summed-up results indicate that the attitude toward the Soviet Union is manifested in two main topics: military-political and trade-economic. Questions related to daily life did not turn out to be a sufficiently significant independent topic in terms of the opinions we sought to determine.

The two topics are relatively independent of each other. The first—the military-political—shows a more categorical desire for change. This is understandable, bearing in mind that the questions are interpreted within the context of our national independence. For example, regardless of social and age affiliation, 74 percent of all respondents believe that 7 November should not be an official holiday in our country, and 76 percent believe that Bulgaria's position concerning the crisis in the Persian Gulf should not be consistent with that of the Soviet Union. A comparison between such data and the answers to the question of the need to send Bulgarian military units to the Persian Gulf is of interest. Here we have two separate groups: 51 percent of the people are in favor and 46 percent are against.

Within the same context are questions of military guarantees of our national security. About 60 percent of the respondents do not believe that the Soviet Union is our exclusive military guarantor. An approximately equal number of people would like Bulgaria to withdraw from the Warsaw Pact—61 percent.

The results on the second topic are interesting. It is clear that a high percentage of the respondents put ideological and political values second to economic pragmatism. In that respect, we can claim that answers may be broken down into two equal parts: 49 percent are in favor of limiting ties to the Soviet Union, whereas 48 percent are against this. This conclusion is supported by the fact that, according to 56 percent of the respondents, in order for us to have petroleum, we should improve our relations with the USSR.

A comparison between the data of the two topics does not indicate that ideological stereotypes are replaced by a clearer political view held by the citizens on this matter. It would also be difficult to draw a general conclusion concerning an overall and consistent attitude toward the Soviet Union because the reasons that shape it are influenced simultaneously by a nondifferentiated foreign policy view and independent aspirations toward acquiring advantages in daily life.

Biography, Legal Views of Supreme Court Chairman

91BA0186A Sofia 168 CHASA in Bulgarian 27 Nov 90 p 14

[Interview with Dimitur Lozanchev, Supreme Court chief justice, by Zoya Dimitrova; place and date not given: "Were We Lucky With the Boss of the Supreme Court?"]

[Text] Dimitur Lozanchev hints that, for the time being, he is not carrying a broom under his robe. Nonetheless, it is still preferable not to confront him.

Dimitur Lozanchev was born on 28 February 1927 in Sofia. This makes him three years older than his predecessor, Ivan Velinov. His father was a bookkeeper and his mother a housewife. He was nine when his father died, and his mother was forced to open a small novelty store in order to support the family. In 1945 Dimitur Lozanchev enrolled in law school. There the wave of revolutionary vigilance had not yet swept away the top jurists in our contemporary history, such as Professor Venelin Ganev, Professor Apostolov, and Professor Balamezov. "From a number of viewpoints, I can see that today I should be envied," Lozanchev says. Between 1956 and 1961 he practiced law in Sofia; subsequently, as a result of the great reduction in the size of the lawyers' collegium in Sofia, he was appointed Pernik Okrug Court judge. Between 1965 and 1971, he was a judge in the Sofia Rayon Court. In 1971 he was a consultant to the Supreme Court. From 1975 to May 1990, he worked for the civil-judicial department of the Chief Prosecutor's Office, and then took over from Martin Gunev as the head of that department. On 15 November 1990, the parliament appointed Mr. Lozanchev chief justice of the Supreme Court.

Lozanchev is married and has one daughter.

[Dimitrova] Have you read the "Tale of the Ladder?" Are you going to exchange your apartment for a larger one, like Mr. Pencho Penchev, the newly appointed minister of internal affairs?

[Lozanchev] I have no such intention.

[Dimitrova] According to the law, the chief justice of the Supreme Court may not pressure fellow justices to approve a decision or a sentence. In practice, through a variety of permissible and impermissible means, in some cases pressure has been applied. How can a Supreme Court justice be independent of external influences, of the head of his department or of you?

[Lozanchev] I believe that Supreme Court justices must be elected by the National Assembly or else appointed by the president for life. It is only strictly defined cases, which cannot be circumvented, that could terminate their rights. Another prerequisite, which is important for state of mind and independence, is that of their salaries. It is a fact that the Supreme Court budget is established by the government.

[Dimitrova] In other words, the judicial branch depends on the executive one....

[Lozanchev] Yes. This budget must be set by the parliament. The Constitution must be changed to reflect this.

[Dimitrova] The old Roman aphorism is: "Let justice triumph even while the world is perishing." Have the laws stipulated adequate means of correcting a judicial error?

[Lozanchev] This aphorism, literally interpreted, is an extreme, for which reason I would rather interpret it in the sense that the administration of justice must be especially important in the state. I do not believe that fairness should replace justice. With a good law, fairness is part of it, and all that is necessary is to apply the law properly. We must improve procedural rules to eliminate any possible judicial errors.

[Dimitrova] What is your view concerning the plans for a three-step judicial process involving the Court of Appeals and the Court of Cassation?

[Lozanchev] It is positive.

[Dimitrova] Despite the announced thesis according to which the resolutions of the Supreme Court are binding on all, in practice there is a vacuum in the legal structure. For example, the mayor of Sofia may ignore a Supreme Court decision on annulling a certain legal act of the mayoralty and there is no penalty that could force him to do otherwise. Do you believe that, in this connection, an administrative court should be created, as well?

[Lozanchev] Judicial control over administrative acts is clearly necessary. It is based on the principle of the separation of powers. Whether this will be accomplished with the creation of a separate administrative court or by any other means, such as administrative departments under the same court, is exclusively within the competence of the Grand National Assembly in drafting the constitution.

[Dimitrova] Many Supreme Court justices are experiencing a personal and professional crisis. What will you do concerning them?

[Lozanchev] In my speech to the Grand National Assembly, I said that, after the membership of this supreme state authority has been established, the justices should interpret this act as having received a vote of confidence. This also stems from the speech by Dr. Zhelyu Zhelev, the president of the Republic.

[Dimitrova] What was the first thought you had after you assumed your present position?

[Lozanchev] To prevent any failure in the work of the Supreme Court, to have it staffed properly, bearing in mind that a large number of justices were retired.

[Dimitrova] Are you carrying a broom under your robe?

[Lozanchev] For the time being, this would not be sensible. It is not easy to find a judge who has both experience and skill.

[Dimitrova] Not a single Supreme Court justice criticized you.

[Lozanchev] It may just be that you have not come across such a judge. Perhaps they are still feeling uneasy with my personality and are cautious in their assessments.

Leaders of Extraparlimentary Parties Interviewed**New Democracy***91BA0185A Sofia DUMA in Bulgarian 6 Dec 90 p 4*

[Interview with Ivan Lazarov, chairman of the Bulgarian National Union—New Democracy, by Zoya Nestorova; place and date not given: "I Did Not Lose My Soul in Prison"]

[Text] [Nestorova] I find it difficult to believe that hatred and loathing have not devastated the soul of a person such as you, who spent 11 years of his life in various camps and prisons. What kind of a person are you?

[Lazarov] By conviction I am a democrat, and I do not blame the younger generation for the crimes of totalitarianism. What has remained within me, in terms of life and its meaning, I have dedicated to the moral maxim that one man shall not hurt another. There will always be a variety of political views. This does not mean, however, that one must hate those who think differently. In the various public squares and meetings, not one of our supporters has shouted "down with" or "death to." Our party secretary, Dimitur Penchev, spent 16 years in jail. However, I have never heard him call for revenge.

[Nestorova] Do you not fear that some of your political opponents will interpret this as posing?

[Lazarov] I cannot stand suffering, and those who know me know that this is the truth. Let there be differences. However, I cannot accept that some people may want to destroy others because of either their political views or their moral beliefs. We must present a worthy picture to the world. I have frequently blamed political leaders who, plunging into cruel and fierce propaganda against communism, do not realize that they are insulting some of their own people. We must resolve our internal problems ourselves. We do not have to ask foreigners to help us because they will come with their own economic, political, and national interests. Until we realize this, we shall be historically behind. The Bulgarians love to build and not to destroy.

[Nestorova] Do we currently not have the opposite feeling, that we are destroying more than we are building?

[Lazarov] Today politicians and public figures should consider the spiritual nature of the population; otherwise once again they will commit unforgivable errors because of discrimination. The initial symptoms of the shifting (I fear its mention) from red to blue totalitarianism exists. Let us look at our nation as a whole and not polarize it for reasons of personal ambition.

[Nestorova] Could it be that our own deputies in the Grand National Assembly should also be blamed for such polarization?

[Lazarov] There were very few people who were not hiding when people were being punished merely for thinking differently. It is precisely in the National Assembly that today the possibility is given to people with dirty consciences and sinful pasts to identify themselves. This is a new form of restoration of the old order.

[Nestorova] What do you mean by this?

[Lazarov] For example, the opposition insists that those who were repressed...after 1946 be rehabilitated. Why precisely after that date? It is because they would like to be free from historical responsibility and put the full blame on the communists. After 9 September 1944, when the laws in defense of the people's regime were being passed and people's courts were being created along with labor education camps, this involved the participation of agrarians, social democrats, members of Zveno, and radicals. Now the opposition is putting heavy pressure on the communists to force them to admit their guilt without mentioning anything about its own. Repressive measures were taken against me at the start of 1945; I was tried for violating the Law on the Defense of the People's Regime, Article 1, Paragraph 1. According to their opposition, however, my actions were not political. If we are looking for the truth, let us dare tell it.

[Nestorova] Is the fear of telling the truth the main reason for saying about parties such as yours that they are small and are of no particular importance in our political life?

[Lazarov] Our parties that are not represented in parliament are described as "small." I ask, however, who are the giants? Are they not those who hold the power, with its instruments, television, radio, and newspapers? The only club our party has is located in Sofia, at 46 Skobelev Boulevard, half of which is used by the Republican Party. Meanwhile, the BSP [Bulgarian Socialist Party] and the SDS [Union of Democratic Forces] have clubs all over the place. Why are they suppressing us? Because they fear us because we do not fear the truth? Let us have no more than one-half of what is at the disposal of the BSP and the SDS and only then see who is stronger. A few days ago, our newspaper, NOVA DEMOKRATSIYA, finally came out. I was greatly touched by a group of medical students who, having read our paper, asked to become members of our party.

[Nestorova] What is your impression of the young people in general?

[Lazarov] The Bulgarian youth are intelligent and clever, and they will understand quite soon that there are people who are involving them in dirty political games. I would like them to become truly patriotic and, above all, Bulgarian, who will not be leading us to Europe via the Bosphorus.

[Nestorova] Do you not fear being labeled a "nationalist"?

[Lazarov] The wrong interpretation of this word is the gravest error of many of our current politicians. However, it is equally wrong to let some Bulgarian population groups unite within ethnic or religious communities. This will inevitably lead to the appearance of outside forces wishing to promote their own national and economic interests.

[Nestorova] Life has not been generous toward you. Have you acquired a life wisdom?

[Lazarov] It is to forget the evil of the past for the sake of a peaceful future.

Christian Republican Party

91BA0185B Sofia DUMA in Bulgarian 19 Dec 90 p 4

[Interview with Konstantin Adzharov, chairman of the Christian Republican Party, by Romyana Simeonova; place and date not given: "We Do Not Wish To Be Hitched to Anyone's Wagon"]

[Text] The Christian Republican Party is already one year old. It was the first opposition party to announce its existence after the opposition was prohibited following World War II. The party's chairman is Mr. Konstantin Adzharov. He has a degree in philosophy from Sv. Kliment Okhridski Sofia University; his minor was the English language. He has been a journalist, a translator, and a tour guide. Since 5 March 1989, he has been a member of the Club for Support of Glasnost and Restructuring. On 5 May 1989, he was one of the 17 persons detained in Sofia for having submitted the club's petition to the National Assembly, demanding democratic rights and freedoms.

[Simeonova] Mr. Adzharov, are you saying that your party appeared without any scenario whatsoever?

[Adzharov] Indeed, the idea had not been coordinated with anyone else. Until that time there was no other party. On 2 November we founded the initiative committee in Plovdiv. Even Radio Free Europe was several days "late" in reporting the news about us. On 24 November we came out with a constituent declaration and an appeal, stating that we shall struggle for holding parliamentary elections ahead of schedule.

[Simeonova] To this day you remain a party outside the SDS [Union of Democratic Forces].

[Adzharov] At that time, the SDS leadership expressed its unwillingness to assume political power and stated that the only thing it wanted was the democratization of society. Naturally, we could not become part of the SDS because we are a political party that wants to participate in the country's government. We stated in the 12 December Declaration that the only solution for democratization in Bulgaria is the creation of a united opposition and a coalition government. Thank God, it took no more than one year for everyone to realize the need for this.

[Simeonova] You are struggling for political power, but, at the moment, you do not have even a single deputy in the Grand National Assembly.

[Adzharov] We nominated 69 candidates throughout the country. All of our efforts were focused on conducting a concentrated electoral campaign. Then came the unfortunate date of 8 June, when a brief notice appeared in the newspaper DEMOKRATSIYA stating that, for the sake of unity, one should vote for the Christian Republican Party with a blue bulletin. This caused total confusion among our electorate, which, instead of using our own ballots, cast the blue ballots. Later I was frequently asked why my name was not included on the blue ballot. Despite this blow, we have remained loyal to the idea of a coalition government, with the participation of the BSP [Bulgarian Socialist Party] and the SDS.

[Simeonova] What is your attitude toward the BSP?

[Adzharov] We are a centrist party. Nonetheless, we are being accused of being a procommunist party. Others ask me if I, too, think that the best communist is a dead communist. We favor a constructive dialogue with each individual party. We realize that the BSP, the party millionaire, is breaking down. Nonetheless, it remains a real force and cannot be excluded from political life. Has it changed? In terms of the high professional standard that requires a parliamentary dialogue, it has. Deeper down, however, we see an obvious polarization. Because of their new political convictions, yesterday's friends not only do not greet each other but also do not even look at each other. We may speak of the breaking down of totalitarian structures. The most important thing, however, is to expunge totalitarianism from our own souls.

[Simeonova] You are described as the party of professional politicians. Is holding power your sole objective?

[Adzharov] To hold power but not all of it. What we mean by professional politics is the search for new solutions, compromises, a constructive approach. We do not agree with pitting a constructive vision against street rhetoric, something that we see almost on a daily basis in the Grand National Assembly.

[Simeonova] What else unites your more than 14,000 members?

[Adzharov] The three pillars: Christian morality, private property, and republicanism. Our party preaches the ideas of Christian democracy on local grounds. One does not have to be a believer to join our party. European civilization is Christian in terms of its morality, which is the binding, the unifying link as we pursue our path to the world. To us there can be no free individuals without private property, and without such individuals there is no nation. We favor a unified and strong Bulgarian nation. We interpret republicanism as the accountability of the authorities to the voters, to the people.

[Simeonova] Personally, are you a believer?

[Adzharov] Yes.

[Simeonova] You said that you see the future of the party in a coalition government. What about Bulgaria's future?

[Adzharov] For someone to help us, we must be needed. Considering the catastrophic nature of the economy, how could our small Bulgaria be useful? In my view, it can be useful only as a broker in international relations. A great power can always be suspect of pursuing imperial interests, whereas, in the case of Bulgaria, if it is present wherever there is a conflict, no one would suspect such intentions. Such is the fate of small countries. We must not remain on the outside. We must be part of the general policy as brokers and not hitched to someone else's wagon.

CZECHOSLOVAKIA

'Parallels' Between Slovak, Hungarian Politics

91CH0222A Prague LIDOVE NOVINY in Czech
20 Dec 90 p 7

[Article by Zdenek Janik: "History of the Master"]

[Text] It is downright surprising to note how little is known of Hungarian history, of which Slovak history was a part until 1918. We could find parallels here to illuminate many an effort by the current Slovak political leadership. In some cases, its actions strikingly recall the actions of Hungarian politicians in the former Austro-Hungarian Empire. Even there, these actions were characterized by constant pressure upon Vienna on the one side and a suppression of non-Hungarian nationalities, Slovaks, Ruthenians, Croats, Romanians, and others, on the other side. The constant pressure did not cease until after the Austro-Hungarian settlement in 1867.

The Hapsburgs of Vienna did not govern in Hungary as Austrian emperors, but rather as Hungarian kings. Hungarian offices, schools, and other public institutions did not display the coat of arms bearing the double-headed eagle of the emperor, as was the case in our country, but rather the Hungarian emblem, complete with the crown of St. Stephan; the institutions themselves were designated exclusively in the Hungarian language and were considered to be royal. In addition to common units, we might say "federal" units, the Hungarians had their own military formations—the Honved—which used the Hungarian language as their command language. These units did not go on the attack in World War I bearing the banner of the emperor, but carrying the Hungarian red, white, and green tricolor. The Hungarians had their own post offices and railroads, and Hungarian diplomats predominated in the Austro-Hungarian diplomatic corps. The oppression of non-Hungarian peoples which, moreover, still constituted the majority of the population of Transylvania was even acknowledged in the laws formulated by Apponyi, which took such a form that they aroused great indignation among important European cultural representatives, for example, the Norwegian author and dramatist Bjornstjerne Bjornson.

Hungarian nobility, which expressly influenced the Viennese court and had the decisive word in many matters during the final years of the monarchy, stubbornly insisted on a two-member federation and resisted any kind of other more just arrangement for the multinational monarchy and, in the end, even opposed the adoption of the 14 points proposed by President Wilson and, thus, contributed to the breakup of Austria-Hungary. As a result of their inflexibility and shortsightedness, Emperor Charles [Charles Francis Joseph—Emperor of Austria and, as Charles IV, King of Hungary in 1916-18] lost even this last opportunity to preserve this geopolitically and economically balanced formation.

In view of the fact that Slovak history was characterized for approximately 1,000 years by the inclined cross on top of the crown of Stephan of Arpad, it is not so surprising that, in many things, there is a downright striking similarity between the political goals and methods used by the latter-day representatives of Hungary's north country—today's Slovakia. Of course, this is not a matter of a complete similarity because history never completely repeats itself and because an absolute identity between both countries never existed nor can it exist, much the same as no two of the closest relatives have identical fingerprints.

However, if we consider the histories of the people under the crown of St. Stephan over the past more than 100 years, there is a similarity between some characteristics of their political practices which, in some cases, is downright startling. The same struggle for a tricolored flag, only involving other colors; a struggle for their own state emblem, but even for a hyphen; for a single state language; a continuing effort toward more and more "equalization," charges of centralism; efforts to achieve independent postal and rail services, followed by efforts to obtain their own radio and television facilities, petroleum and gas pipelines; their own bank of issue and diplomatic representation which would be independent with respect to its methods. But Europe has not changed in the meantime. Today, restricting the preferences inherent in regional sovereignty is a belated anachronism, given the trend toward all-European integration. And as far as the limitation of minority rights is concerned, Europe is far more sensitive to these issues than was the case at one time with the Apponyi laws. Moreover, it is no use castigating great-great-grandchildren for the wrongs committed by their great-great-grandfathers. This way, we would never become part of Europe and we would have nowhere to go because in applying these methods even in the other parts of Europe, which is still not completely without problems in this regard, even an integrated Europe could not come into being. Although history never repeats itself verbatim and to the letter, it is nevertheless possible to read much into its analogies. This is particularly so when nations are involved which had experienced long periods of joint upbringing. And it does no harm, but rather the opposite is true, to be knowledgeable with regard to these matters. Then we shall understand many things more easily and we can

even predict things by way of analogies and, perhaps, even prevent many developments. The old truth about history being a teacher continues to be valid.

CTK's Director Defends His Left-Wing Views

91CH0215A Prague KVETY in Czech 30 Nov 90
pp 10-11

[Interview with CTK [Czechoslovak Press Agency] director Petr Uhl by Alena Pavlova; place and date not given: "A Trotskyite on Understanding, Security Clearances, and World Revolution"]

[Text] [Pavlova] How do you handle the fact that after decades of being a dissident you are now an official personage? To put it in Havel's words: That from a "powerless one," you became a "man of power"?

[Uhl] A dissident actually means an apostate. That is why we never liked that word. We did not separate ourselves from anything, after all. We all lived as citizens of this state and we also tried to behave like true citizens. So much for your question in the formal sense. I am not a philosopher, and therefore I do not think about the problem of power and powerlessness in theoretical terms, but in the practical context. As the director of CTK [Czechoslovak Press Agency] I am trying not take on some of the bad habits of my predecessors that grew out of their almost feudal status. Whether I am fit for the job where I am to be in charge of 1,600 people, only time will tell. Eight months seems too short a time to me.

[Pavlova] As the director of CTK you answer to the Federal Government which named you to the function. As a deputy to the Federal Assembly you can hold the Government to account. How does this "split personality" affect you?

[Uhl] Because for 20 years I belonged to the opposition, and nine years of that I spent in prison and learned first hand how the State Security functioned, I asked for work in the defense and security committee, not in a social and cultural one, where as the director of CTK I probably belong. I do not feel that I am a split personality, and I do not see such a clash between the work of a deputy and that of a director of a central press agency. Nobody censors the work of our reporters. As a deputy I can therefore rest easy in this respect.

[Pavlova] You mentioned that you spent nine years in prison. How does this injustice influence your view of the world, and therefore also your work?

[Uhl] It is quite possible that prison had a psychological effect on me. I am 49 years old. It is said that with advancing age a person becomes better balanced. Maybe I could be actually more contented today if I had not been in prison. But sometimes it seems to me that it was precisely prison that gave me something that we could call at first glance tolerance. However, it is not actually true tolerance, but an understanding of human misery at the most diverse levels. I am not a Christian, I do not

identify with the imperative of forgiveness, but I created for myself a similar commandment, namely, understanding. From the very beginning of my stay in prison I set for myself the life-long task not to become embittered and not to feel hatred. You have to act rationally, not emotionally, I kept telling myself. And all that revulsion which I felt toward my immediate surroundings I transmuted into revulsion not toward people but toward the system. The system which deformed men and under which they either acquitted themselves well or not, depending on their moral as well as physical strength. Or, which happened most often, they acquitted themselves well up to a point. Even I made a number of compromises in my life. Including some that I am ashamed of and that I regret. And not only in my personal life.

[Pavlova] What kind of compromises?

[Uhl] Not counting the recent free elections, I voted twice in my life. When I was 18 and 23 years old. When I was 18, I even did it as a manifestation! I knew it was not right, but I did it anyway. When I was 23 I scratched out about half of the candidates, but I did not get rid of the feeling that I was doing the wrong thing. That the moral way was to boycott the elections because in reality they were no elections. When I came back from prison the first time—I was there twice, once for four years and the second time for five years—I renewed my membership in the Revolutionary Trade Union Movement.... To be frank: Again I knew that it was not right, but I had two children. And so it occurred to me, why not make use of the "trade union benefits" for them?

In prison I got to know a great many people. Many of them were truly asocial, but I also met there many innocent victims of the regime who were punished unduly, people who were imprisoned for political activities or for some other independent initiative. I came in touch with many guards whose behavior differed considerably. Some were decent people, others performed their work without interest, and some were sadists. A few tried to harm me because of political reasons. All these complex reasons caused me to be what I am today. To weigh carefully any restrictions that I must, just because I am the director, impose.

[Pavlova] So?

[Uhl] I make an effort to find out what people were actually doing, and not be satisfied with the mere fact that they collaborated with State Security, for example. I do not feel that there is a great amount of difference between an editor who did general reporting within the limits he had to observe and had not been a member of the Communist Party, and one who on the contrary had been a member of the Party. To classify people into former Party members and nonmembers, or even into even older former Party members (who then maybe spent several years in prison) is not to my liking and is unacceptable to me. It simplifies things, it is black and white. I always try, and perhaps the prison even helped

me in that respect, to see life and people in all the complexities and to weigh the cons and pros very carefully.

[Pavlova] You surprise me. You should, after all, have an understandable right to hate...

[Uhl] You are mistaken. Nobody has the right to hate.

[Pavlova] Do you not have the feeling that those who were compromised in the past are today the most implacable?

[Uhl] That is not a feeling, I know it. I know many people who today are very radical, uncompromising and who have, as the saying goes, a dark past. The other point is, whether I should go around announcing that this or that journalist from this or that newspaper had been a proven informant. Or should I investigate the past of reporters from the Prague SPIGL? That is after all a rather low thing to do....

[Pavlova] Do you then consider security clearances to be a dubious process?

[Uhl] It is more complicated than that. It so happens that I hold a comparatively extreme view, one that I do not even dare express out loud in the parliament, that at least in time security clearances should become a public affair. I believe that a step like that would contribute to the humanization of the society. To declare something like a moral amnesty, moral, because cooperation with State Security is not a punishable offense, and in that connection make the names of the informers public. So that they can state their reasons. The great majority of them were blackmailed by the secret police, and those people, unfortunately can be subject to blackmail even today. And not only can they be subject to blackmail, some of them are actually still being blackmailed.

I do not believe that some network of former State Security people could overturn the political situation here, but they are a burden on this society. Moreover, it is morally inadmissible to have compromised people serve in public functions, be it only at the level of local governments. Yes, for that reason I am in favor of security clearances. I am even of the opinion that they would be to the benefit of those several tens of thousands of people who at one time collaborated with State Security. I, too, am afraid of uncompromising, emotional attitudes of the crowd. But I have not lost the hope that in society there is a majority of decent people who will be able to, or at least will try to, understand their fellow citizens. I again emphasize the word understand.

[Pavlova] Are you in favor of security clearances even in a situation when much of the proof has disappeared, and where what is left could be used to intentionally destroy the innocent?

[Uhl] All the active files have been allegedly destroyed, that is, the agenda of the people who have been active collaborators until 17 November last year. But some

information indicates that these materials exist and that they are stored in places which are for the time being unknown to us.

It is possible to use anything for disinformation and for ruining people. Gramsci used to say that only truth is revolutionary. But, differently: Only truth is beneficial. The argument that knowledge can confuse people, because they need not necessarily comprehend the information, is a classic product of the Stalinist kitchen. Stalin used to insist that people must remain uninformed because they are not mature enough to understand the truth. Building on lies, deception of people, half-truths, and concealment of facts comprised the ideological base of the regime under which we lived for 40 years.

I do not intend to demand publicly wholesale security clearances and the publication of archives of the Ministry of the Interior, I am merely trying to answer your question. And provided security clearances are permitted in some instances, I am willing to offer advice. The essence of my experiences could be summed up as the recognition that it is not enough to just collect lists of compromised people, but that it is necessary to get to know their lives, actual activities, testimonies, rewards, evaluations, etc.

[Pavlova] You yourself have acted this way?

[Uhl] On the lists which I received there was also the name of one of the leading staff members of CTK. There was an entry by his name: informant. All others were styled agents or confidants. I was therefore interested in learning what the term "informant" actually means. I was told that such term was used previously instead of confidant. But when that "previously" was I did not find out. When I did not stop showing interest in details, I found out that in 1961 this person was picked out by a State Security man to be a candidate for a secret collaborator, and an appropriate file was set up for him. Six months later, without the person in question being aware of it, his State Security patron decided that he was unsuited for the job. So that this potential agent lived decently for all those years and never knew anything about it. If it had not been for the fact that I asked for details of not only his, but all such cases, it could have easily happened that I would have dismissed him from his job without giving reasons. I have the authority to do that. So to make it quite clear: I am in favor of security clearances, but only if they are conducted properly.

[Pavlova] A while ago you said that you are not a Christian. What are you, then?

[Uhl] An atheist. Did you think I was a Muslim or a Buddhist?

[Pavlova] Do you consider yourself as belonging to the left, the right, or the center?

[Uhl] If you are linking religious affiliation with political orientation, then I find your question highly unpleasant, because among my friends, particularly abroad, there are

many Catholics and Protestants who belong to the left. But of course I also know a great many Christians who consider themselves to be rightists. The question of believing or not believing in God cannot be, after all, in direct relation to political orientation.

[Pavlova] We do not understand each other. I do not relate the question of faith to being a leftist or a rightist. I am asking because some people insist that in Czechoslovakia at the present time it is not possible to determine where is the right and where is the left.

[Uhl] I would not object so much to the way you pose the questions, if in this country religious feeling had not been treated as political orientation. But to finally answer your question: I consider myself to be a revolutionary Marxist, therefore I clearly belong to the left, even to the extreme left.

People, whom you mentioned, are right. Here in this country there really does not exist any structured left or right. Those who say they belong to the right often are not rightists. When I read the proclamation of my colleagues in the Civic Forum who founded a rightist club, and when I came to the passage about Czechoslovakia, I could have put my signature under that entire passage. I, a person from the extreme left. It is not proper that they claim to be rightist something that applies generally. That is artificial and not functional. After all, the federation and its preservation is not the concern only of the right.

And the left? The Communist Party is no left. It represents a dying force which is departing, unfortunately, in a very undignified manner. It is obviously too late for it to purge itself internally. It would have to make an analysis not only of the last 20 years, but of the last 65 years, and draw conclusions from it.

[Pavlova] How would you characterize the right and the left?

[Uhl] For me, the left is above all a cultural phenomenon. It is an antiauthoritarianism, and to a considerable extent also an opposition to the centralist power of the state. For me it symbolizes free and democratically oriented people who do value individualism in life and work, but who are at the same time willing to give up on their own some personal interests for the benefit of the whole. I consider the striving for social justice and equality, supporting the weak against the strong, to be a self-evident feature of the left. You would be looking in vain for such a force here so far.

The right, on the other hand, tends toward strong power institutions, authorities, limited power of trade unions, it gives preference to the rapaciousness of individual entrepreneurship and elitism before social certainties. These characteristics, in my judgment, are being taken on, albeit timidly, by the emerging Czechoslovak right. So far, fortunately, it has not culminated yet in racism, fascism, or other totalitarianism.

[Pavlova] When I called you on the telephone, the operator automatically asked me if I wanted to talk to Comrade Director. Was she not right, after all? If you are a revolutionary Marxist, are you also a comrade?

[Uhl] In the Left Alternative, of which I am a member, we did not dare to introduce among ourselves this form of address, which was made into a caricature by the former regime, because it goes against our grain. But with foreign colleagues, for instance French, we do call each other "camarade". That word has meanings other than merely a comrade.

I do not personally know that woman in the telephone central, in the CTK we of course address each other as Mister, but now and then somebody makes a mistake. After all, this comrade business went on for years.

[Pavlova] I asked you this question because I am afraid that most readers will think of revolutionary Marxism as being identical with Communism.

[Uhl] The basic idea that revolutionary Marxists, or, if you will, Trotskyites, have been promoting since the thirties, is first: the necessity for a social revolution in countries that are, so to speak, capitalist. Second: the necessity for a political revolution in countries with a bureaucratic dictatorship of the Soviet type. Third: the necessity for overcoming the conflict between the "rich North" and the "poor South" and creation of a socially just order. An order that will be valid not once and for all, but a rational, effective one, that will moderate the thus far still widening gap between those who have money and those who have nothing.

You can think that this is a wild fantasy, a utopia. I do not know when a social revolution will occur in Western Europe or in the United States, but I know that I would not want, despite the vision of the riches that the advanced countries present, to have Czechoslovakia molded after the model of their social order, their consumer society.

As far as the principle of political revolution in "real socialism" is concerned, it did not happen the way that the 4th International and the revolutionary Marxists imagined. The revolution, in fact, was not carried out by the proletariat who would have taken over the means of production, and would then have begun to produce and govern itself. Nevertheless, there was a revolution, at least here in Czechoslovakia. It destroyed the power of the ruling nomenklatura, the entire power structure which was responsible for the stagnation of society.

[Pavlova] If you identify with Trotskyism, how do you view the introduction of the market economy?

[Uhl] It is clear to me and my similarly thinking friends in the West that the command economy, as we ourselves experienced it, is a blind alley. The way out of it, however, does not lead through a mere economic autonomy of enterprises without a market economy. The

renewal of the market is a historical necessity. Nevertheless, I believe that this market should be entered mainly by producers who will freely associate in a collective, whether it will have the form of a factory, cooperative, or shop. For that reason I shall support all the opportunities for developing collective ownership of workers and their entrepreneurial activities. Not because I would be so strongly opposed to ownership which is not connected with work, but rather because I am afraid of an abysmal social differentiation, profits without work, and most of all because people who today have capital here did not gain it legally. I therefore do not belong to the pragmatists who hold the view: it does not matter how the money was earned, the main thing is that it will be invested.

I am for a thorough and as extensive as possible denationalization, but I repeat, the point is to whom the enterprises will belong, who will be making decisions in them and about them. I will do everything to see to it that they belong to the people who will be working in them, and that these people also will be able to control and manage their enterprises.

[Pavlova] But that in itself will not ensure social justice in society.

[Uhl] Certainly. I understand that our vision of equality has a considerable crack in it, because under the conditions of a market economy there will understandably exist some stronger and some weaker collectives. I think of it as a tax which we must nilly willy pay for the economic development of the country.

But if the state will develop a sensitive and well-thought-out social policy that will moderate negative social tendencies, it is possible that we shall succeed in developing a system that will not be purely capitalistic.

[Pavlova] Does then the Czechoslovak left have a chance to play an important role in future political developments? Are you contributing to its formation?

[Uhl] I believe that it does have a chance. It is thus far present as a current of thought in the Civic Forum. After all, even people who proclaim themselves to be rightists often hold leftist views. Thanks goodness. But I am not sure that at this stage of social and political development leftist political parties and movements should be established. I myself am, as I already mentioned, a member of the Left Alternative, but I am not firmly convinced that its activities serve much purpose. To summarize: I do not think that for the development of society today political parties are important or decisive, and therefore I do not do anything for them at this time. I am afraid that a system of parties governing for four or five years could gradually again become totalitarian. What I do believe in, and that is why I am one of the last ones to still wear a Civic Forum badge, is a political system based on self-government by citizens, territorial as well as economic. Such arrangement seems to me to be more effective than to go forth into battle under the most leftists of banners.

HUNGARY

Increased Soviet Visits at Budapest UN Office

91CH0253D Budapest NEPSZABADSAG in Hungarian
11 Dec 90 pp 1, 5

[Article by S.K.: "UN Office in Budapest: Are the Soviets Returning as Civilians?"]

[Text] Before, it amounted to an unusual event if one Soviet citizen per month dropped in at our office during visiting hours, they say at the Budapest office of the UN High Commission on Refugee Affairs. Today, however, at least seven out of ten visitors are from the Soviet Union.

Could it be that history evolves in a way that while Soviet soldiers and their family members depart, their compatriots—perhaps the [departing soldiers] themselves—arrive in far greater numbers in Hungary as refugees?

At the UN office we learned that beginning next spring it could indeed occur that Hungary may also count on a mass of emigrants from the Soviet Union. It is anticipated next spring, only because although the global passport will be introduced in the Soviet Union as of January, it will take time before individual passports are prepared. Even according to Soviet sources, most persons intent on emigrating view Hungary as the country which they may transit. Officials at the UN office believe that the anticipated European problem of persons emigrating for economic reasons may be resolved only by way of regional cooperation. Negotiations between two countries at a time, for example negotiations between Hungary and Romania, will not suffice, because decisions made by the European Community bear on the refugee situation. The United Nations would like to open additional offices in East European countries. It presently maintains offices in Vienna, Belgrade, and Budapest.

This year, as of the end of October, the office which deals with refugees in Hungary registered 16,698 persons. In the course of one year, the UN office granted political asylum to only 12 persons who came from countries outside of Europe. For this reason, they find it somewhat offensive that persons illegally staying in Hungary are most often confused with refugees. It is absurd to speak of masses of "homeless refugees," both political and economic—virtually without an exception the latter came from Romania—who are entitled to be provided for by the state, at least temporarily. What the Romanian sources claim is an unquestionable fact. Several hundreds of thousands of their citizens did not return to Romania. Many, including persons arriving with passports, obtain illegal employments "without reporting", for inhumanly low pay. From among these, some find homes in railroad stations, nevertheless, from a legal standpoint, these people must not be regarded as refugees.

Proposed New House Rules Described
91CH0253C Budapest MAGYAR HIRLAP
in Hungarian 10 Dec 90 p 3

[Article by Agnes Marvanyi: "New House Rules Being Prepared; Rules of Cooperation and Opposition"]

[Text] Since last May the new parliament has operated under the old house rules. In response to a request by the House Rules Committee, experts completed the drafting of proposed new house rules at last. After debate over these rules, and following their adoption, these will be the rules for multiparty cooperation in the parliament.

Substantial difference exists between the two sets of rules, because the philosophy of a single-party parliament is entirely different from that of a multiparty parliament. The new rules establish procedures for cooperation and opposition among several parties. For example: In a multiparty parliament the purpose of interpellation is different from that in a single-party parliament. Its purpose in a multiparty parliament is to shake the ruling party, to try to reduce the popularity of the ruling party, or to obtain preliminary information concerning certain cabinet decisions at least.

Also, the way in which the ruling party uses interpellation is different. Through interpellations it endeavors to gain popularity by leaking certain information. According to professionals well versed in parliamentary practice, in some countries the ruling parties perfected this method to a degree that the texts of interpellations are written by professionals in various ministries, as a result of which the minister is able to provide a concise "ad hoc" response which sounds good. All the representative has to do is to read the interpellation. (Multiparty parliamentarism is not that well greased in Hungary.)

In some countries interpellations may become the tool for unseating governments. This is so because the prime minister may request that the response he gives to an interpellation also constitute a vote of confidence. In Hungary, interpellations will continue not to operate as means to unseat a government, but based on the constitution, the prime minister may request that the adoption or rejection of certain laws be regarded as votes of confidence. This gains timeliness when the unity of the ruling party is in the process of disintegrating.

The new, proposed house rules endeavor to establish an organizational order for interest reconciliation and for preparatory work. A committee on the house did not exist in the single-party parliament, only an informal consultative team evolved. It was composed of the leaders of the representative delegations from the various counties. In contrast, in a multiparty parliament the Committee on the House is the organization supposed to reconcile interests. It tries to reconcile the viewpoints not only of the various factions, but also of the government. The seed of this concept existed already in the

parliamentary traditions of 1946 and 1949, except for the fact that in those days the committee was called "Political Committee."

The new house rules also provide for regular consultations of the chairmen of National Assembly committees. The coordinating conferences of committee chairmen will establish rules for committee hearings on new legislative proposals.

On the other hand, the proposed house rules strictly reject the existence of groups of representatives who serve as regional interests, or the interests of [economic] branches—a system which continues to function today. The fact that today's parliament, fundamentally based on party factions, produced such regional and branch lobbies based on earlier traditions is a peculiar contradiction. Today there functions an educators', a veterinarians', and a Szabolcs [county] caucus, as well as a caucus of representatives whose districts are located along the Tisza River.

If the house rules intend to provide legitimacy to the existence of groups which are alien to party organization, they should also provide for relationships between such groups as parliamentary factions, committees, and the National Assembly as a whole. The scope and authority of these groups should also be established. Regarding certain issues, caucuses which focus on regions or on branches [of the economy] would divide the various factions and would render party-line voting nonfunctional. Accordingly, based on the draft at least, the multiparty house rules will prohibit the evolution of such caucuses.

Since the proposed house rules are yet to be presented to the various parliamentary factions and committees, they include a number of undecided issues. One of these pertains to rules of debate. Many European parliaments provide stringent rules for the length of time a representative may speak, moreover, they proscribe that each faction may consume time only to an extent proportionate to the size of its membership. This limitation is very beneficial from the standpoint of ruling parties. A rule of this kind not only limits the time available for the opposition to launch attacks, but even the internal opposition within the ruling party is denied an opportunity to speak. This is so, because the various factions themselves appoint floor managers, or designate persons who may speak, thus condemning the internal opposition to silence. It is yet another matter whether representatives thus muzzled could vote with the opposition.

The draft house rules do not limit debate in such stringent a manner. They adopt a more liberal outlook instead, in the framework of which the Committee on the House is given the authority to establish the order of debate, and the time allotted for remarks.

On the other hand, the "disciplining" of representatives is a new feature. While thus far, only the political means available to factions, and warnings issued by committee chairmen or by the presiding officer of the House, or in

the ultimate case, cloture, could prompt a representative to conduct himself in a manner becoming to parliament, and while virtually no conditions existed to force a representative to take part in voting, the new house rules would make it possible to withhold a representative's daily honorarium for any days he was absent without justification.

The new rules are liberal with respect to the representatives' sphere of movement. Present perceptions hold that representatives may change from one faction to another in every session of the National Assembly, if they wish to do so. The group of independent representatives would continue to operate unchanged, in the form of a quasi faction, i.e., that group would enjoy all the rights enjoyed by party factions.

As compared to the previous rules, the fact that the new rules enable three rounds of debate represents a novel feature in terms of debating techniques. General debate would be followed by detailed debate, which in turn would be followed by a debate on proposed corrections. In the latter, the plenary session would resolve problems and contradictions that arose in the course of the previous rounds of debate. (During the past six months in which our multiparty parliament has operated, it occurred that a newly adopted law had to be amended at the following meeting of the parliament. These kinds of flaws may be eliminated in the course of the third round of debate.)

Another novel feature is the fact that in the course of detailed debate, a proposed law would be discussed on a section by section basis, and the plenary session would vote with respect to each individual section, or at most concerning a few related parts.

Although originally the National Assembly intended to adopt new house rules prior to the end of the year, this will be impossible because of the present legislative overload. It now appears that the new house rules will be made the subject of debate only early next year.

Local Police as Independent Legal Entities

91CH0253E Budapest MAGYAR HIRLAP
in Hungarian 7 Dec 90 p 4

[Interview with Ministry of the Interior division director Istvan Szikinger by Karoly Lencses; place and date not given: "Local Authorities and the Police: Mutual Dependence; Local Police Forces Will Become Independent Legal Entities"—first paragraph is MAGYAR HIRLAP introduction]

[Text] For the past few months, a heated debate went on inside the Ministry of the Interior concerning the possibilities establishing local police forces, and regarding the decentralization of the strictly centralized organization. More recently, the official view evolved: The state police will remain in place, but autonomous local governmental bodies will still have the authority to intervene. Nevertheless, experiments are made in certain municipalities

to determine how cooperation between local authorities and the police could be improved, and how the role played by local governmental bodies could be strengthened. We sought an answer from the division director, Istvan Szikinger, primarily regarding the issue of how the relationships between local police forces and local governmental bodies may evolve.

[Lencses] To what extent did all this represent a local initiative, and to what extent did these initiatives meet with the Interior Ministry's approval?

[Szikinger] Part of these experiments were initiated by the National Police Command [ORFK], and part by local police commands and by local political forces. The Nagykata police chief was the first to raise the issue of establishing closer ties with the local council of those days, and last fall the Hungarian Democratic Forum [MDF] of Dunaujvaros proposed that local political factors must play a greater role in directing the overly centralized police organization.

[Lencses] If I understand this matter correctly, these attempts were made with the tacit agreement of the ministry, and that the experiments were pursued in a rather unregulated framework.

[Szikinger] This is true, but this kind of thing should not be excessively regulated, because one should not establish a narrow legal framework for experiments based on local initiative.

[Lencses] What do these experiments demonstrate?

[Szikinger] Already at this point one may clearly see that for example in Nagykata and in the 12th District [of Budapest], the indexes which show arrests are much higher than elsewhere. Cooperation between the populace and the police is clearly better, and the confidence of local political factors in the police has increased.

[Lencses] You claim that the strict hierarchy of the police should be relaxed, while the law states that a unified, centrally directed state police must be preserved. Isn't there a contradiction here?

[Szikinger] The government feels that the police must not be subordinated to autonomous governmental bodies from an organizational standpoint, but this does not rule out decentralization. The authority to direct—outside of daily operational matters—is retained by the interior minister, but this is not contradicted by assigning certain authorities to lower levels. Interior Ministry leaders are forced to agree to this as a result of pressure manifested by autonomous local governmental bodies; they require authority for greater involvement regarding matters related to public security. If the independence of local police commands increases without violating the principle of central directions, they may negotiate regarding matters of substance with offices of mayors, parties, social organizations, or business units.

According to present perceptions, local police commands will become independent legal entities, thus they will be able to assume responsibilities from the standpoint of civil law.

[Lencses] Could the endeavor to decentralize also mean that although the order in which local police commands are directed will not change, local authorities could file civil suits [against local police commands] for the enforcement of agreements reached [by the local police command] with the autonomous local governmental body, irrespective of the military hierarchy?

[Szikinger] Yes. But we should not forget that autonomous local governmental bodies have a right to veto the appointment of the police chief, accordingly. The police chief that violates such an agreement could count only on serving one term in office.

[Lencses] Does this not hold the potential for corruption?

[Szikinger] Quite naturally, this solution carries the threat of corruption, but the police will fail unless we take this step. We must recognize the fact that there are no more central resources, no money is available for developmental purposes. At the same time there exists a demand on the part of autonomous governmental bodies as well as business organizations to cooperate with the police on the basis of a mutual incentive. It would be rather foolish to prevent that; it could result in a catastrophic public security situation.

[Lencses] The financial issues of a cooperation have not been clarified in the legislative proposal concerning the police. Accordingly, it may occur that a local police chief buys technical equipment and establishes positions based on a single appropriation. While there is no guarantee whatsoever that the needed money will be made available on a continuing basis, how could this threat be eliminated?

[Szikinger] In the framework of the present experiments, financing was resolved by establishing foundations, i.e., these resources are indeed not guaranteed. On the other hand, according to current perception, and within the framework of laws, local police chiefs could enter into mutually binding agreements with local authorities for which general rules governing the state budget provide appropriate foundations.

[Lencses] Would this not result in an overly strong linkage between local police commands and the autonomous governmental bodies? The accusation was made in the context of the taxi affair: The police were against the government, but friendly to the citizens.

[Szikinger] That situation evolved in the framework of a highly centralized police force. I believe that the planned changes will not increase the possibility of the evolution of such incidents. The authorities of the Interior Minister and of the National Police Chief are not infringed upon; under certain circumstances, their direct authority

to issue commands remains unchanged. A local police chief would not be able to enter into an agreement which violates the principle of central direction anyway.

[Lencses] But what could autonomous local governmental bodies which perform a balancing act at the brink of bankruptcy do with all these opportunities?

[Szikinger] Almost everywhere the attention of local authorities was turned toward the police, because in many places the public security situation became an issue which fundamentally influences the quality of life. We find that in many settlements they are making efforts to supplement the police forces, to raise the technical level, while at the same time, detaching the police is not the goal. This is not the goal, because, if for no other reason, they may establish oversight for public areas. Private enterprises are being organized, they may even form civilian self-defense groups, or their own police organs. police organizations. Insofar as financial bankruptcy is concerned, they are not spending millions indeed. But public security and the investigation of crimes is not a fundamentally economic issue. The most important result of these relationships may be that the police obtains information, data, in the absence of which it could not produce results.

[Lencses] To what depth is the autonomous governmental body able to interfere with the activities of the police?

[Szikinger] Based on the legislative proposal concerning the police, autonomous governmental bodies may issue ordinances which determine police tasks, and if the autonomous governmental bodies provide the needed resources, it may also hold responsible the local police for performing those tasks. There is no need to create such requirements regarding the basic functions of the police, other legal provisions guarantee the performance of basic activities.

[Lencses] The idea of an autonomous local police also became the subject of heated debate in professional circles. This lasted until the interior minister declared that having autonomous local police organizations does not constitute a desirable solution. Yet, it appears that we are moving in that same direction. How do you explain this?

[Szikinger] The terminology "autonomous local police" provided grounds for much misunderstanding, because everyone interpreted this term in a different way. The viewpoints also differed, nevertheless the disturbance was caused more by interpretation. No one wants to take apart the present state police, just as no one wants to fully exclude the autonomous local governmental bodies. Accordingly, we must establish a police force which is capable of adapting itself in a flexible manner to local conditions, while it remains suitable to act in the service of larger regions, or even the entire country.

POLAND

POLITYKA Weekly News Roundup: 2-8 Dec

91EP0153A Warsaw POLITYKA in Polish No 49,
8 Dec 90 pp 2-3

[Excerpts]

National News

The Democratic Union is the name of a new party led by Tadeusz Mazowiecki. The membership of the Union, which was formed during a meeting of the prime minister's election committees, also includes the groups Citizens Movement Democratic Action (ROAD), the Forum of the Democratic Right (FPD), and the Krakow Alliance for Democracy. Tadeusz Mazowiecki called on his supporters to vote for Lech Walesa in the second round of the elections on Sunday; however, he noted that this support does not change his criticism of Walesa's program and Walesa's conduct of his political campaign. [passage omitted]

The following groups have come out in support of Lech Walesa: the Polish Party of Greens (PPG), the Forum of the Democratic Right, and the Citizens' Parliamentary Club (OKP). ("I do not agree with the resolution of the Citizens Parliamentary Club which says to vote for you, Lech; it is necessary to tell people not to vote for Tyminski," declared Deputy Adam Michnik, and he resigned from the Citizens Parliamentary Club.) The National Commission of Solidarity adopted a resolution in support of Walesa. It called on factory commissions and regions to participate in the campaign and in the elections en masse. The NSZZ [Independent Self-Governing Trade Union] Solidarity of Individual Farmers maintained its support for Walesa: "At present, there is nothing more important than electing L. Walesa by an overwhelming majority of the votes," Piotr Dabrowski, a member of the union leadership told PAP [Polish News Agency]. Roman Bartoszcze, the president of the Polish Peasant Party (PSL), said: "Tyminski is of no interest to us, but Walesa must seriously consider what he has to offer society." The National Council of the Polish Peasant Party supported Walesa's candidacy. In a published communique, the Confederation for an Independent Poland (KPN) says that since neither of the candidates has presented a program "we can support none." The Social Democracy has given its members a free hand in the elections.

From the Sejm decisions. The Convention of Seniors has made and the Sejm has accepted without discussion a proposal not to consider the dismissal of the government until it presents a report on its actions. According to the new passport law, these documents will not be issued by the Ministry of Internal Affairs but by the voivods. Official and consular passports are being liquidated. The cases in which passports can be denied are explicitly defined. The Sejm has liquidated the Central Fund for Tourism and Recreation, the Fund for the Development

of Culture, the Fund for the Prevention of Drug Addiction, and 15 other funds. The purposes of the funds will be taken over by the central and gminna budgets.

The 18th Congress of the Polish Scout Union (founded in 1918) was held. It adopted a resolution suspending the congress until August 1991 and sent an invitation to the second part of the congress to all scouting organizations. The congress elected a Main Scout Council of 24 members and a chairman, Scoutmaster W. Hausner. The second congress of the Scout Union of the Republic also met. Tomasz Szrembosz was again elected chairman. A separate organization for girls was formed.

RZECZPOSPOLITA calculates how much the fourth pilgrimage of the pope will cost. The costs of preparing for the visit, the necessary renovations, road repairs, providing security will be more than 400 billion zloty. The Ministry of Internal Affairs has considered purchasing two new helicopters and motorcycles for the retinue. There has been talk of Hondas, but in the end they will probably be less exclusive ones.

The prices of five kinds of vehicles produced by the Automobile Factory increased on 1 December 1990: the FSO 125 by an average of 5 million zloty; the Polonez truck with a four-speed transmission by 6 million zloty (to 46 million).

Beginning 1 December 1990, the interest rates on savings accounts and loans at the Polish Security Bank increased: demand deposits, 18 percent; 3-month time deposits, 50 percent; 1-year time deposits, 61 percent; housing loans, during construction, 62 percent; cash loans for individuals, 75 percent.

In adopting the new Law on Combatants, the Sejm decided on a general verification of combatant rights. It applies to about 600,000 individuals. The general formula assumes that soldiers fighting for the independence of Poland are combatants, participants in national uprising, members of Polish formations and military organizations during the First World War, soldiers in the underground in 1939-45, including those on lands occupied by the Red Army, and after the war to 1956, and members of allied organizations of the resistance and armies, except the NKVD.

A group of deputies from various clubs (84 individuals) presented to the marshal's cane an amendment to the Law on the Liquidation of the Workers' Publishing Cooperative. The point is to give the titles to any journalist cooperative that has asked for them. It requires replacing the formula "can be transferred" (the current law) with the formula "are to be transferred" (proposal).

KURIER POLSKI reports: "The garrison church in Przemyśl is beginning to be a genuine garrison church. People in uniforms are visiting it without fear and without obstacles. Recently the police and military personnel jointly funded a chasuble for the priest and two chandeliers for the sanctuary."

The hospital in Nowy Targ, under construction for 11 years, has been given to the Order of Good Brothers of God. The act of transference was signed in the presence of Cardinal F. Macharski by the voivod and the supervisor of the order for the province Father Roman Dziekan. The 960-bed hospital, which is supposed to serve the entire Podhale region, cannot be completed by the administration because of a shortage of funds.

The Toxicology Clinic in Krakow, TRYBUNA reports, will close by the end of 1990 because the legal owners, the Jesuit priests, will move into its facilities. The clinic is supposed to move to the L. Rydygier Hospital in Nowa Huta, but it is under construction, and work will last several years.

Deputy Admiral P. Kolodziejczyk, minister of national defense, who led the delegation of the Ministry of National Defense that visited Germany told a PAP journalist: "The leadership of the Bundeswehr reacted positively to our proposals to train Polish officers in German military institutions of higher learning." [passage omitted]

Changing Names. Ulica Stoleczna [Capital St.] in Warsaw is to be called Father Popielusko St. or Defenders of Life and Health of Man and of Family. In Lodz, the following street names have been removed: W. Wasilewska, P. Finder, Roza Luksemburg, J. Marchlewski, M. Nowotko, K. Swierczewski, PKWN [Polish Committee of National Liberation], and J. Fucik. One of them will be named for Maj. Zygmunt Szendzielarz "Lupaszko," another for J. Haller. Among the proposals for Warsaw are Anielewicz (leader of the Warsaw Ghetto uprising) to Goose Street, Piekna to Pius XII, Szenwald to Rokita, Chodkiewicz to St. Andrzej Bobolo. The Group of Vocational Schools in Ostroleka, which is named for two Soviet pilots Vera Belik and Tatiana Makarova who died in August 1944 near Ostroleka and were buried at the war cemetery near the school, has changed its patron to the Fifth Regiment of Zaslawski Lancers.

Who's Who. Deputy Leslaw Lech (age 43) of Wroclaw is the new chairman of the deputy club of the Democratic Party (SD). A. Dynowska, who fell into a conflict with the officers of the party because of L. Walesa's candidacy in the elections and resigned from the Democratic Party, previously held the position. [passage omitted]

Opinions

Prof. Dr. Ryszard Bender of the Catholic University of Lublin, an adviser to Lech Walesa:

(Interviewed by Jolanta Sacewicz, GAZETA OLSZTYNSKA 21 November 1990)

[Answer] In our society, any attempt to isolate the unions from the church will be artificial. In this way, we would be accepting what communism wanted to do. If communism took religion out of the schools, removed the crosses, it is necessary to restore them. Later, if

society becomes secular, it can decide differently. Thus, I think it is a horrible thing that only three Sejm deputies voted to return the cross in the crown of the eagle. It is a very important symbol of our independence.

Jaroslaw Kaczynski, leader of the Center Accord:

(Interviewed by Danuta Mystkowska, GAZETA LUBUSKA 21 November 1990)

[Question] Is the prime minister's seat marked for you?

[Answer] I have no such aspirations. I am not at all seeking to take any government position. I want to continue to work in the Accord and again be a candidate for senator. I would be satisfied with the post of deputy marshal of the Senate, just in order to have my own office, staff, and official car. That would make work easier. We are a very poor party, and we cannot afford such luxuries. I also have no financial resources. That is why I would be able to combine the duties of deputy marshal with the duties of the leader of the Accord.... I admit, however, that Walesa has a different opinion on this subject. He is demanding that I take some position in the government or in the presidential office. I prefer, however, to devote myself to political activities.

Aleksander Kwasniewski, chairman of the Main Council of the Social Democracy of the Republic of Poland (SDRP):

(Interviewed by Zofia Szlachta and Adam Jaskow, TYGODNIK OPOZYCYJNY 25 November 1990)

[Answer] I will surely be a candidate in the Sejm elections; I am counting on it a great deal because I think I have an interesting program to offer. It contains an economic and political plan, and solutions for some important problems. I admit, however, quite frankly that looking at the situation in Poland today I think it is now easier to be in the opposition than to govern. Sometimes I awake at night covered with a cold sweat because I dreamed we have just won the elections and have to form a government. For a certain time, being in opposition is for us more fruitful and creative than consuming ourselves in governing.

Lech Walesa, chairman of the NSZZ Solidarity:

(Interviewed by AK, GAZETA GDANSKA 21 November 1990)

[Question] What will you do when you see demonstrators and strikers with Solidarity banners in front of the Belweder?

[Answer] I will go out and take the lead.

[Question] And who will remain in the Belweder?

[Answer] I must join proper protests so that they do not burn the Belweder out from under me. And later I will tell them: listen, you are right, but enough, what follows from your reasons. I know that they are right to strike and I know that I cannot satisfy these reasons. It is

necessary to explain the great architecture in order to settle things with people. That it is impossible—that is Warsaw propaganda. I think social involvement is necessary, to the boundary of risk. And I do not fear the masses; I want to find work for them, opportunities....

[Question] Who else in Gdansk will get onto the Warsaw express?

[Answer] Nearly everyone with whom I have worked. I am taking them because there is a great deal of work; it is necessary to create a new political orientation, and that is not all: government, radio, and television orientations; a terrible airing out is coming. And we must do that.

[passage omitted]

Politics and Customs

[passage omitted]

The Movement for the Autonomy of Slask has been formed in Rybnik; it draws on the forms tested before the war. The Movement has ambitions to associate all Silesians "regardless of their citizenship and place of residence." [passage omitted]

A new verification of journalists? A fragment of the resolution of the Democratic Party Circle at the Epoka Publishing House: "The circle's board received with surprise the report of the formation of a special commission chaired by J.R. Nowak, deputy chairman of the Central Committee of the Democratic Party, by the Presidium of the Central Committee of the Democratic Party, that is to evaluate the employees of KURIER POLSKI and RZEMIESLNIK. In our opinion, the formation of a commission of a political nature—which its membership demonstrates—recalls the disgraceful verification of the martial law period, which the main officers of the Democratic Party condemned barely a year ago, recognizing it to be immoral and illegal." [passage omitted]

More than 400 students, who had previously studied at the Security Service Academy of Internal Affairs in Legionowo, were released from the Police Academy in Szczytno. The difference in the programs of the two schools was the reason given. "A different length of nightstick?" wonders MLODA POLSKA. [passage omitted]

A meeting of delegates of Solidarity at Ursus recalled Zbigniew Bujak from the position of delegate to the regional congress because he supported Mazowiecki. The original motion that he be recalled for failure to pay his membership dues failed. Z. Bujak has announced he will resign from Solidarity. [passage omitted]

The Presidium of the National Commission of Solidarity has called for the dissolution of the Mining and City Transit Sections. (Their strikes were termed as "being beyond the bounds of the charter.") The position was sharply criticized in a declaration by the Presidium of

the Kujawy and Dobrzyn Lands Regional board: "we state that you have lost your orientation in reality and you are no longer in control of the current situation." [passage omitted]

Concerns Over Soviet Troop Transit From GDR

91EP0155A Warsaw POLITYKA in Polish No 49,
8 Dec 90 pp 1, 7

[Article by Marek Henzler: "The Polish Route: 900,000 People and Millions of Tons of Equipment Will Roll On From West to East"]

[Text] Poland's geographical location and history have meant that foreign armies have often passed through its territory: the Germans, the Tatars, the Czechs, the Russians, the Swedes, and even the French. For decades foreign (but not always enemy) armies have been stationed in Poland. It comes as no surprise, then, that the matter of the return of Soviet armies from the former GDR via Poland's territory is spurring much emotion.

The agreement between Helmut Kohl and Mikhail Gorbachev regarding the withdrawal by 1994 of all Soviet armies stationed in Germany was concluded as though Poland did not lie between Germany and the Soviet Union, or as though the transit of these armies through our territory was to take place within the framework of obligations emanating from Poland's membership in the Warsaw Pact. Consequently, it should be pointed out that the Soviet armies were located in Germany 10 years before the Warsaw Pact was created, and also that the Warsaw Pact itself may cease to exist in a few months. Meanwhile, 380,000 Soviet soldiers, 120,000 civilian employees, approximately 400,000 of their family members, and tens of millions of tons of military equipment accumulated in the GDR years must be returned to the Soviet Union via Poland over the course of four years.

Soviet divisions will have to pass through Poland. Since the matter of their return has become an element of European, and even worldwide, agreements, the related costs and burdens cannot be borne by Poland alone. The entire operation will simply have to be treated in trade categories.

To date the matter of the transport of armies between the USSR, Poland, and the GDR has been regulated by regulations from 1956. The Soviet armies have made use of PKP [Polish State Railways] services; however, the payment for such transports has not been equivalent. For two months the GDR, one of the parties in the earlier agreements, has not existed, and beginning in 1991, the clearing of accounts between the former socialist countries will take place in convertible currencies. For this reason, our MSZ [Ministry of Foreign Affairs] has embarked upon an initiative to conclude a separate treaty with the USSR on the transit of Soviet armies through our territory.

In accordance with diplomatic practice, the details of the treaty currently being negotiated are secret. Nonetheless,

on the basis of information gathered at the various MON [National Defense Ministry] institutions and at the Ministry of Transportation and also based on what has already been published in the press, it appears that this will be a very large-scale operation. However, two factors will help to make the operation less troublesome: good preparation and the fact that it will be spread out over four years. Nonetheless, our society needs to have basic information about this operation right now, if only to allay various kinds of phobias and prejudices.

The Soviet Army will return by land (via rail and highway), sea, and air. The transit will most likely begin in January 1991. The Soviets would like the rail transit to take place along four routes (Gumience-Branevo, Kostrzyn-Skandava, Kunowice-Czeremcha, Zasieki-Dorohusk). Each day, for four years, seven to nine troop trains would go and the same number would return. Such transports are nothing new for our PKP. For decades armies have traveled along its tracks to and from the GDR. Recently a portion of Soviet units from Czechoslovakia was also evacuated through Poland.

Due to the recession, our rail transport is down by about 30 percent. We have reserves in our locomotives and in the free passage capacity of the rails. In this regard, transporting 11,000 troop trains over four years is good business. There is only the question of the price. Today the PKP still clears its accounts in rubles, charging approximately 55 million zlotys for one transport. Beginning in January it will clear accounts in convertible currencies and it will charge approximately \$20,000 for such a troop train. Moreover, since this will constitute dangerous cargo, with a so-called excess loading gauge (in terms of size), the rates may go up by another 100 percent in accordance with international transport regulations.

On the western border, the PKP will receive the trains not from the Soviet armies but from German railway workers. For this reason there is no fear regarding the possible violation of international regulations defining the terms of the rail transport of such cargoes. On the other hand, it is not known whether the Russians will manage to reload them on our eastern border to their own wide-gauge rail cars. Moreover, due to the priority of military transports, the Soviet side may restrict the transport of foreign trade cargoes on these tracks, which would reduce PKP income.

The matter of military transit via our highways looks less optimistic. The Russians have proposed two highways: the northern route (Szczecin-Elblag, and then to Kaliningrad—approximately 350 km in Poland) and the southern route, although this would more accurately be called the central route, since it leads from Olsztyn to Dorohusk and is about 850 km.

In November 1990, employees of the Roads and Highways Research Institute made a drive-through of both routes. Every motorist is well aware of the condition of

most Polish roads and bridges. Our experts are in agreement about the northern route, but without considerable reinforcement of the bridge on the Visla in Pulawy and other road work, the southern route is unsuitable for such transport. Someone may argue that dozens of cars travel along that route, but this does not include so many heavy trucks.

According to the Russian plan, every two days in the space of an hour, three highway troop trains of 80 heavy trucks plus trailers would travel this route. This does not mean that only 240 vehicles would go this route. There would also be traffic control vehicles, command vehicles, communications vehicles, ambulances, repair vehicles, and fuel and provisions vehicles. This amounts not to 240 vehicles, but to 350 to 400 vehicles. Assuming that they are 30 meters apart and taking into account their own length, it may be calculated that each day three, five-to-seven-km sections, will "move along" Poland, cutting off other traffic and completely blocking oncoming traffic at these points. Due to the lack of bypasses, these truck convoys will crawl along at an average estimated rate of 20 km per hour, traveling through the central portions of our cities and rural areas.

A wave of protest erupted after a preliminary survey was done of IBDiM [Road and Bridge Engineering Institute] employees, and the local authorities were informed of the details of the planned transit. Many delegations are already coming to Warsaw to categorically demand that their communities (Olawa and Drawsk Pomorski) be bypassed. The burgomaster of Drawsk wants to build a waste treatment plant and a waste collector. He has the funds and contractors for these facilities, but what good is it since these plants are to be built on a street which is to handle the additional traffic of approximately a million heavy trucks with trailers?

The residents of communities along the proposed route are also afraid of damage to the natural environment: noise, exhaust gases from hundreds of engines and litter thrown into roadside ditches. They also fear the army itself. As we are aware from history, after every army there has always trailed another army: of marauders, merchants and...camp followers. Meanwhile, the soldiers will be returning from the wealthy and quiet West to the impoverished, currently starving and politically more and more unsettled East. According to the German press, trade in every sort of commodity, including armaments, is already flourishing in the vicinity of Soviet Army bases in the former GDR. Likewise, trade is ongoing around the Soviet units stationed in Poland. In Germany deserters, sometimes armed, and requests for asylum (approximately 200 Soviet soldiers this year) are an ever increasing calamity. And Poland will be the final stage before a soldier reaches his homeland....

Our negotiators must anticipate these and other potential dangers. They must obtain the appropriate commitments from the Soviets and, in some cases, from the Germans as well. Today a transport to Poland by truck with attached trailer costs \$227. It must be kept in mind

that this operation requires many additional preparations and outlays. Alternate routes, breakdown routes, and suitable overnight accommodations are needed. Many roads and bridges require reinforcement or additional repairs. Special dispatcher and communications services must be created. Protection by our MSW [Ministry of Internal Affairs] and MON must be ensured, as well as cooperation with customs and environmental protection services. These services are all very expensive and they must be paid for in addition to the normal transport fee. The matter of compensation for gminas and cities that lie along the route for burdens imposed by military transports is no small problem.

Who is supposed to pay for this? Certainly not our taxpayers (never mind the fact that the German designated 14 billion German Marks for the upkeep of the Soviet armies in their country and will undoubtedly have to earmark some part of this for the costs of their retreat through Poland). We ought to demand an advance for this purpose and precisely specify the amounts and deadlines for subsequent payments.

Roman Bartoszcze has already used the issue of the transit of the Soviet Army to the USSR in the current presidential campaign. Undoubtedly, other forces will also use them for political purposes. Treaties on military transit and the treaty on the withdrawal of Soviet armies from Poland will be a litmus test to determine the degree of our sovereignty and of the powers and potential of Polish diplomats.

There is no doubt in my mind that the contract on the transit ought to include the principle that we will permit as many transports to cross the western border as have already crossed over to the east. Every railroad car or truck should be weighed at both borders, so that when they leave Poland's territory, they should not be lighter (because they have dumped toxic waste, for example, every gram of which the scrupulous Germans will undoubtedly order the Russians to gather up) or so that a truck does not leave Poland with Polish contraband. The issue of the danger of such transports must be resolved, as well as the issue of holding them responsible for abiding by Polish laws during their journey through Poland.

Apparently, preliminary negotiations have been made stating that dangerous cargoes (toxic, radioactive, bacteriological wastes, and the like) will not be transported across Poland. These are to be transported by ships beyond the boundaries of our territorial sea. However, should there not be Polish or international observers present on deck during these voyages along our coastline? It is very easy to dump all sorts of trash and waste in the sea. Meanwhile, our economic zone extends beyond the boundary of our territorial sea.

When the contract on the transit is made, it should also be stipulated that Soviet armies must be removed from Poland at the same time or even sooner. We must not permit a situation to arise in which we, in our haste to

bring in an immediate profit in foreign exchange, agree to a rate of withdrawal and routes of withdrawal of Soviet armies from Germany which will render impossible the simultaneous withdrawal of the Soviet armies stationed in our own country.

Border Treaty, Future German Relations Viewed

91EP0123A Warsaw GAZETA WYBORCZA in Polish
14 Nov 90 p 7

[Interview with Mieczyslaw Pszon by Witold Beres and Krzysztof Burnetko; place and date not given: "Polish-German Success"]

[Text] [GAZETA WYBORCZA] The government of Tadeusz Mazowiecki presents as its great success the obtaining of a promise from Chancellor Kohl that as early as in November the Germans will sign a boundary treaty with Poland. But, after all, we already had a different agreement with the Germans on the subject of boundaries: the Zgorzelec Treaty with the former GDR and the Warsaw Treaty with FRG....

[Pszon] What happened on Thursday, 8 November, in Frankfurt/Oder is significant because the treaty concluded there is the first document that clearly and definitively defines the boundaries between Poland and Germany without leaving any loopholes. In this way, the matter of the Polish-German boundary has been removed from the political scene once and for all.

Poland always believed that the Zgorzelec and Warsaw treaties were equivalent to an admission by the Germans of a boundary on the Oder and Neisse. But every once in a while reservations developed in Germany. "Yes, we signed those treaties, but..." That "but" left room for initiating a discussion on the matter of boundaries. The last of these discussions was started as late as the beginning of this year. What is worse, the participants were not only journalists or politicians of lower rank, but the government and Chancellor Kohl also made a few statements.

Last year, during both preparatory discussions before Kohl's visit to Poland and during the visit itself, we avoided touching on the problem of boundaries on the whole. We took the position that this problem does not exist since there are agreements that already settled it. We did not demand a clear confirmation of this fact on the part of Germany because we knew that we would not get it. Also, making such a demand would give rise to a subsequent discussion in Germany.

[GAZETA WYBORCZA] But some critics say that a day later, on 9 November, Soviet diplomacy scored a much greater triumph. Gorbachev signed a good-neighbor agreement with Kohl regulating Moscow-Bonn relations on a broad basis....

[Pszon] But our success lies exactly in that we initialed a document dealing exclusively with the matter of the boundary which is not a part of a general treaty.

Because of this, arbitrary interpretations of the boundary treaty will be impossible. A general agreement will, therefore, contain resolutions of greatly varying caliber and will pertain to very many areas. It may happen that in some area it will not function well. Contentions may develop on the interpretation of some resolution, and so forth. If the boundary agreement were a part of a general agreement, then questioning the least, most trivial fragment of this agreement would make it possible, given even a particle of ill will, to deny the boundary part also.

[GAZETA WYBORCZA] You are an optimist.... But public opinion regarded the development of Polish-German relations during the last year with great uneasiness....

[Pszon] That was unnecessary. During Chancellor Kohl's visit last year, the celebrated Polish-German declaration was signed. During the year, a decided majority of its resolutions was implemented to a greater or lesser degree. In any case, none of the problems touched on in the joint declaration was brought up. And this document was not binding in any legal sense, it had the character of a declaration of intent.

So the Polish side respected the obligations pertaining to the German minority. The Germans carried out their economic obligations. The fact that these were not fully realized is not the fault of the German side and is not evidence of any unwillingness or reticence. It is simply the result of our economic crisis. Polish enterprises are afraid to invest during a recession situation. They are disposed toward surviving rather than expanding.

Of the 2.5 billion German marks of guaranteed credit that has been extended, we have already opened accounts for 1 billion. This is not a little considering that these credits were intended for two or three years.

I mention this in order to emphasize the responsibility of the German side. People of ill will probably will accuse the government of not concluding any concrete agreements in Frankfurt, for example, economic. Meanwhile, in the first place, documents of this type are never signed at such meetings. Second, implementing last year's Kohl-Mazowiecki declaration is evidence that we can count on this kind of commitment.

So we can consider the matter of a boundary treaty settled since it was established in Frankfurt that the ministers of both countries will sign it in Warsaw in November.

We can also consider the matter of visas settled.

We may assume that before Christmas, visas between Poland and Germany will be abolished. Quite likely this will also lead to eliminating limitations on travel to Benelux countries and France since the Germans have treaties with these countries on travel without visas.

[GAZETA WYBORCZA] And how will the good-neighbor treaty look?

[Pszon] This is being negotiated separately. The first round of talks is planned for the end of November in Bonn. This will deal with many matters: economy, culture, etc. But even now, in Frankfurt actually, a decision was made to activate regional cooperation, specifically at the boundaries. The lands bordering on Poland and four of our western voivodships will form a joint commission which will administer economic cooperation in this area at various levels: government, voivodship, community. Independently of this, the two sides obligated themselves to increase the number of border crossing points to 20 and to modernize them. The Germans agreed to this very readily. Also considered with good results was the matter of constructing a Berlin-Warsaw autobahn.

[GAZETA WYBORCZA] The Soviet-German agreement also contains a nonaggression pact. This is recognized as a great Soviet diplomatic success since even France does not have such a pact with the Germans. Will the Polish-German good-neighbor agreement also contain a provision on nonaggression?

[Pszon] I don't know, but this looks different from our side. Kohl promised to support Poland in its efforts, first, for association, and later, for membership in the EEC. In view of this, we will not need a nonaggression agreement with the Germans since we will be associated with them through the European Community. Just as France is.

[GAZETA WYBORCZA] What will the procedure be for implementing these agreements?

[Pszon] The boundary agreement will be signed in Warsaw in November. Then it will be necessary to prepare the text of a general agreement and initial it. I believe that this will take place at the end of this year or at the beginning of next year. Then the general agreement will have to be signed and before the end of February, both treaties should be ratified by the Polish and German parliaments.

[GAZETA WYBORCZA] Is it possible that some obstacles might appear? For instance, if the Christian Democrats should lose the election, might not some problems arise in the procedure of signing the agreements with Poland?

[Pszon] But in the present situation, such a defeat simply does not enter into consideration.

And since the Christian Democrats favor the agreements, I see no danger.

[GAZETA WYBORCZA] And on our side?

[Pszon] That is another matter. Actually, I do not believe that it would come to nonratification of the agreement even if the government in Poland were changed, but a change in government might affect Polish-German relations. Consequently, it might affect our efforts to join the EEC, since the support of Germany is crucial for us. Without it, we will not join the EEC very quickly, if that

should be possible at all. What is concerned here is not just moral support, but also economic support. The EEC will not admit us if we do not meet a basic economic standard. And Chancellor Kohl says that he is ready to help Poland.

The Germans may not be our only way into the EEC, but they are our best hope.

[GAZETA WYBORCZA] But what interest do the Germans have in helping Poland? They must still rebuild the former GDR.... Why did they agree so readily to our proposals?

[Pszon] Frankly speaking, I don't know. But seriously, first, we have a false picture of the Germans.

We perceive them as a predatory country oriented toward immediate gains if not outright military conquests. This is not so. Moreover, an economically and politically stable Poland serves not only our interests, but also those of the Germans. Perhaps even most of all, their interests. Because if the Germans were to have centers of trouble, social unrest, etc. on their eastern border, then that would not be conducive to reconstruction of the GDR, for example.

[GAZETA WYBORCZA] In comments on Kohl's ambiguous statements on the subject of Polish boundaries during the past year, it has been said that the chancellor wants to secure votes of the Republican Party in this way. Would this stop being an issue? The German elections will take place in less than a month.... Why was it so difficult to secure confirmation of the boundaries from the Germans before?

[Pszon] First, for German unification policy, the matter of boundaries was a weighty bargaining chip. This was especially apparent during the two-plus-four discussions. The Germans maintain that definitive giving up of lands lost as a result of World War II is the price that they paid for unification. Earlier, when Poland was a member of the Soviet bloc, every concession to Poland was de facto a concession to that bloc.

As far as the Republicans are concerned, I believe that the chancellor's position is already so strong that he does not have to worry about two to three percent of the electorate. Moreover, there were serious discords and breaks in the ranks of the Republicans that additionally weakened that party.

[GAZETA WYBORCZA] The official existence of a German minority in Poland has not been questioned for a year now. But controversy has continued to exist as to the legal regulation of its status....

[Pszon] Both sides agreed that in resolving these problems, European standards must be adopted. This comes down to the assumption that minorities will not be granted any special rights, but they will be guaranteed nondiscrimination and the same rights that other citizens and other minorities have in Poland. The German

side accepted this with no resistance and did not press for instituting double citizenship in Poland.

Neither does anyone treat seriously the cries for so-called autonomy for Silesia.

[GAZETA WYBORCZA] Will a resolution on the agreement on national minorities be needed?

[Pszon] In my opinion, such a resolution would be a pure absurdity. On the whole, I cannot imagine what the content of such an act would be. Before the war, Poland was forced to sign a so-called minority treaty together with the Versailles Treaty. And this had fatal consequences. The creation of special rights for any group in the population not only leads to antagonisms, but may have completely negative consequences. Such a group begins to be treated specially in every situation.

Special rights lead to special situations.

And this is in no one's interest. If we guarantee to Germans all the freedoms that the constitution provides for all citizens, should that not be enough? One thing that we might consider here is granting them a seat in parliament if, for example, despite sufficient numbers, but because of being dispersed, the minority would not stand a chance of sending a deputy to the parliament. Only this type of problem can be settled through special regulations. In Germany, this is the case, for instance, with the Danish minority in Schleswig-Holstein.

[GAZETA WYBORCZA] How will the question of compensation to Poles for forced labor during World War II be resolved?

[Pszon] This is a very difficult matter that has dragged on for years. What is concerned here naturally is compensation under civil law and not state law. In the great majority of cases, it would pertain to forced laborers. The Germans are afraid of this problem. They maintain that if they were to generally accept such compensation for the Poles, then all of Europe would apply for money and even Germany would not have enough to make the payments. At the same time, they are inclined to resolve this matter in some way. For example, statements have been made on a form of funding administered by Poland and Germany that would guarantee some kind of satisfaction to those most seriously hurt by the war. No particulars have yet been established, but from the good will that the chancellor has exhibited toward this matter, we may assume that this too will be resolved shortly.

[GAZETA WYBORCZA] You said that the success of the discussion was due in large measure to Chancellor Kohl. In this context, how can we evaluate the contribution of the Polish delegation?

[Pszon] Most of all, [the contribution] not only of Kohl, but also of Premier Mazowiecki. He was magnificently prepared for the discussions. This was not so because of advisers working for him. His competence and mastery of every subject touched on were very well received by the German side.

This was evident.

[Box, p 7]

During the past year, Mieczyslaw Pszon was the personal plenipotentiary of Premier Mazowiecki in discussions with representatives of Chancellor Kohl. After month-long negotiations, he brought about the historic visit of the head of the FRG government to Poland. Most recently, he was an observer of the Polish-German negotiations in Frankfurt/Oder.

On Saturday, 10 November, he received one of the highest German decorations, the Great Cross of the Order of Merit of the Federal Republic. In decorating Pszon in the name of President von Weizsacker, Guenter Knackstedt, FRG ambassador said, "You, sir, belong to that group of Poles who were the first after World War II to make efforts toward reconciliation with the Germans." The ambassador recalled that it was actually the Krakow TYGODNIK POWSZECHNY, where Pszon is a deputy editor in chief, that worked through its journalism to ease the mutual contentions and resentments. As early as in the 1960's, disregarding interference by the Communist authorities, this circle initiated cooperation with the German organizations, Pax Christi and Aktion Suhrzeichen. Mieczyslaw Pszon was also a signatory to the open declaration of Polish and German Catholics, "On Freedom, Justice, and Peace in Europe," issued on the 50th anniversary of World War II.

Senator Favors Silesian Bridge-Building Role

91EP0162A Warsaw RZECZPOSPOLITA in Polish
10 Dec 90 p 3

[Interview with Dr. Dorota Simonides, senator of the Polish Republic from Opole, by Edward Klimczak; place and date not given: "Silesia as a Bridge Between Poland and Germany"]

[Text] [Klimczak] For several months now you have been traveling back and forth to Germany to give lectures on Silesia, and specifically on the Polish-German question in that region. What is the response in Germany to your thesis of the so-called Brueckenfunktion [bridge-building role], meaning that it is precisely the Germans in Silesia who can serve as a bridge between Poland and the German state?

[Simonides] I must say that in all my talks and discussions with the various German audiences I met with full understanding of this thesis. I definitely sense that German audiences, especially the decisionmaking circles, are clearly interested in having Silesia become a bridge rather than a bone of contention.

[Klimczak] In early October you had presented a lecture on this subject in Bonn.

[Simonides] The lecture was organized by the Verein fuer Deutschum im Ausland [Union for Germans Abroad]. Representatives of the Landsmannschaften

[Expellees' Regional Associations] also were present and the discussion was very heated. But no one denied the role of Silesia as precisely a bridge, particularly considering that, as I emphasize strongly, Silesia used to be a frontier region.

[Klimczak] This thesis is not found attractive by Silesians, and in particular by the Germans in Silesia who are associated in the Deutscher Freundschaftskreis [German Friendship Circle].

[Simonides] I must say that they, too, stress this role. I do not know how you conceived the idea that they object to Silesia's role as a bridge. After all, recently they have changed greatly and even believe that they were practically born for this purpose. At least that is what they are saying. However, in certain, though not all, respects they display a kind of isolationism as it were, that is, a desire to keep aloof, whereas playing the role of a bridge requires getting involved.

[Klimczak] The map of Germany hanging at the Gliwice branch of the Deutscher Freundschaftskreis—and not only there—shows that country within its 1937 borders and bears the personal signature of Herbert Hupka, the West German leader of Expelled Silesians. As reported last September in the German television program TV Spiegel, Hupka's office is distributing flyers that deliberately falsify history. These flyers blame Poland for starting World War II, with Germany supposedly acting in self-defense. German leaders in Silesia have openly demanded the incorporation of Silesia into Germany. In his television broadcast from Strzelcy Opolskie, a German named Mende demanded a fourth partition of Poland. How can all this be reconciled with the so-called Polish raison d'etat regarding Silesia and with constitutional law which, as in every other country, stipulates that the population inhabiting a country's territory be loyal to that raison d'etat?

[Simonides] You are confusing apples with oranges. That national minority is one thing, and the broadcast you mentioned is another. That broadcast was produced by the Landsmannschaften and transported from the FRG to Silesia. Actually, the governing board of the Deutscher Freundschaftskreis itself, which is an opinionmaking body, has proclaimed quite different objectives, as it seems to me. You surely are aware of the formation of the Zentralrat, or Central Council, headed by Dietmar Brehner. He is a young man with a totally different way of thinking, and he has been making statements in favor of the need to be loyal to Poland. Perhaps that is just why he has recently been removed from his position.

[Klimczak] According to an assessment by the leftist Hamburg weekly DIE ZEIT, he is the only Silesian intellectual to take this position.

[Simonides] Unfortunately yes. Too few members of that minority are well educated. Most of them are simple people who let themselves be easily manipulated. And

unfortunately they are indeed manipulated by the Landsmannschaften. And that is frightening. I am doing everything I can to make Silesians think for themselves and cease to be manipulated, but this is not always the case, as you yourself have demonstrated.

[Klimczak] To continue my question, how can stances of this kind, and not only stances but specific political actions, be reconciled with *raison d'etat*, which after all presupposes loyalty of citizens in every country?

[Simonides] We must realize one thing. Now that we have agreed that we want a fully democratic country, we must accept the possibility of actions of precisely this kind. We should condemn them, but when they are undertaken by just a handful of people, they cannot be taken seriously. On the other hand, if individuals acting in behalf of the expellees, and there are several such individuals, travel to Silesia and organize various actions inconsonant with the Polish *raison d'etat*, that already is a horse of another color and here our authorities should take resolute measures. The German population [in Silesia] was promised that, by virtue of Paragraph 23 of the FRG Constitution, the entire Silesia can be incorporated in the FRG as one of the "Laender."

[Klimczak] Who made this promise?

[Simonides] Officials of the Association of Expellees. I deliberately refrain from naming names. In addition to the main leader, there are several other extremely radically disposed individuals. They travel to Silesia and make unrealistic promises. This won't do, of course. Then the next drive is in favor of the Europeanization of Silesia, promotion of so-called autonomy. Thus, signatures are being collected, both in Silesia and in Germany. Is this a question of a fourth partition? No, now this is a question of a Silesia that would be under the aegis of the European Parliament, which, too, is impractical and utter nonsense. I could also cite other examples of disloyalty, but the matter is complicated inasmuch as under the German Constitution, Article 116, these people are potential German citizens, because anyone who had until 31 December 1937 lived on the territory of the former Reich is entitled to German citizenship. And now these people are told by Hartmut Koschyk [leader of Silesian Germans] and others that they are *de facto* Germans.

[Klimczak] Are not they?

[Simonides] No, because they are only potentially German citizens. For nationality is one thing and citizenship is another. And these people do not understand this difference. And that is the tragedy.... In Germany nobody asks about nationality; it is citizenship alone that matters. In Poland we introduced the rubrics of nationality and citizenship. If it was only citizenship, the matter would be settled. Mr. Hartmut Koschyk is advocating dual citizenship. The FRG government tolerates dual citizenship. We too can tolerate it, although for the time being we have no law regulating it. That is, this is an unwritten law.

There is no appropriate law, and hence it also is nonsense to persuade people in Silesia that they will participate in German elections.

[Klimczak] Why? After all, they could vote if they had German passports. From the aforementioned article in *DIE ZEIT* it ensues that many Silesians already have both passports.

[Simonides] That is not so. In order to receive a German identity card one has to live on the territory of present-day Germany. That is a basic requirement. I had explicitly asked about it in Bonn. And since Silesians are not living on German territory, they cannot participate in German elections, unless they are registered both in Poland and in Germany. I am familiar with such cases.

Under a German law of 1 July 1990 all proofs of German nationality must be presented in country of origin, that is in Poland, and at present no one can begin to reside permanently in Germany without first presenting proofs of his or her German nationality to the FRG embassy or through relatives in Germany.

[Klimczak] But that concerns curtailing the number of the so-called repatriates.

[Simonides] Of course. It matters to Germany too that the German minority remain in Silesia. But it also is obvious that this implies the Germanization of Silesians. When the leaders of the Landsmannschaften claim that more than a million Germans are living in Silesia, this means that they include all the [ethnic] Silesians and want to turn them into Germans. This is contrary to the law which states that the entire eastern Silesia, that is, persons who had signed *Volksliste III* [(Distant) Ethnic German List 3] are not Germans even if they had served in the *Wehrmacht*. Yet Koschyk and company have succeeded in persuading them that they are Germans. And now all this discontent and disappointment will be turned against the Landsmannschaften.

[Klimczak] But don't you think that it is the individual himself rather than the law who decides what his nationality is?

[Simonides] I strongly believe that subjective feelings are nowadays the decisive criterion. Thus, if a person feels himself to be German, no prohibition can overcome this. This has to be respected and accepted. In this connection, we are granting these people all the rights that belong to them, rights that belong to a national minority. The danger consists in the potential rise of a Fifth Column, such as had already once before occurred in our country. And the only thing that matters to us is that they be loyal citizens of Poland.

[Klimczak] That certainly will be difficult, because the 40 years of the denationalization of Silesia affected the Germans above all, and it will be difficult to change all this overnight. The more so considering that, according to Germans, Silesia is entirely "in German hands."

[Simonides] You fail to consider that Silesia is an extremely broad concept. We cannot confine it to Lower Silesia alone, where Poles are in the majority and the German minority numbers about 15,000. Or consider Opole Silesia, where only 25 percent of the population are Silesians, including Germans; that too is not much. The remainder are Poles and immigrants from other Polish regions. Or, too, consider Katowice Voivodship, where the population is such a melting pot that ethnic dividing lines can hardly be drawn. Thus, de facto the majority of the population in Silesia are Poles. I say that the Germans are a minority, because out of the several million people living in Silesia 800,000 are of German origin. But as for the vociferousness of these people, that is another matter, and that is why they have turned this matter into a huge problem. The hue and cry are disproportionate to the numbers of people. When Krol [another leader of Germans in Silesia] had first registered the Society of the German Minority, it had a membership of 2,000, because that was how many people had signed his petition. The ethnic divisions in Silesia run across families. One brother registers for the German list while another does not. Or a wife registers but not the husband. Once calm returns and the Landsmannschaften stop interfering, the situation will not be that bad, in my opinion.

[Klimczak] You believe that the associations of expellees are stirring up resentments in Silesia?

[Simonides] Yes, very much so!

[Klimczak] And that they are promoting polarization between Poles and Germans and in reality causing harm to this region. Other than Mr. Brehmer [as published], what circles in Silesia, for example, among Silesian Germans, are supporting Polish-German coexistence?

[Simonides] Officially, coexistence is supported by the leaders of the German minority, but only in word, not in deed. And the deeds are such that, e.g., Polish-language books are discarded from libraries and replaced with books brought in by Mr. Koschyk. The Germans in Silesia read chiefly SCHLESISCHE NACHRICHTEN, and, let us say, that is hardly the kind of literature that would markedly reinforce their Germanness, because from SCHLESISCHE NACHRICHTEN they will learn neither about real German history nor about German belles lettres. Besides, they are not sufficiently familiar with the German language to appreciate good German literature.

[Klimczak] That can hardly be expected of them considering that for 40 years they had been forbidden to learn the German language.

[Simonides] It was not an official language of instruction, but in Silesia mothers have always been free to talk in German to their children. No one would forbid a mother to teach her child a German prayer.

[Klimczak] But that was too little.

[Simonides] However, courses in German began to be offered as of 1972. At the Club of the International Book and Press their level has been quite good. Many people learned German in this way.

[Klimczak] Germanness or nationality in general is not decided by language.

[Simonides] Consider for example the terror that had been applied against Germans in the Soviet Union, and consider the Volga Germans, how fluently they speak German. Even their children speak German.

[Klimczak] Allow me to doubt this. It seems to me that we should not reproach Silesian Germans for their poor German speech, considering that they lacked the opportunity to learn that language, and to this day that opportunity remains limited. I learned that at a higher school of foreign languages in Wroclaw the German language will not be taught, at least not this semester, although Germans wanted to immediately provide instructors. Does this mean that the Communist practices still are being continued?

[Simonides] The conditions there were not good. I am familiar with that case, but you fail to mention at the same time that we had accepted more than 20 German-language teachers from the FRG even before the unification of Germany. They were greeted by a representative of the German embassy, a Polish superintendent of schools, and myself as the senator from Opole. These teachers are working in Gogolin, Strzelcy Opolskie, Dobrzyn, Glogowek, and Dobrodzien, that is, they are teaching at high schools in places with a German minority. There are even German-language preschools already, as well as prayers offered in German at churches. It thus cannot be said that, despite the lack of a law on minorities, in Silesia there are insufficient opportunities for learning the German language.

[Klimczak] When that law is passed, what will it be like? Will it be a law protecting minorities or a law safeguarding the rights of minorities?

[Simonides] It will be an absolutely European-style law, safeguarding all the rights of minorities—the rights to develop their own culture and language and the institutions nurturing them. If that law is passed, it may turn out that all these rights will be guaranteed in the new Constitution.

[Klimczak] In the meantime both sides are growing more chauvinistic. Both the Polish side, considering that, e.g., swastikas are being painted on the doors of dwellings occupied by Germans, as reported by DIE ZEIT, and on the German side, since, as you yourself mentioned, the Germans are throwing Polish-language books out of their libraries. In the former GDR skinheads are gathering with the intention of raiding Silesia in order to fight Poles and disperse and chase them out of that region. What is the future of Silesia? Who should fear whom there at present and in the future?

[Simonides] I think that the work on doing away with such fears should be undertaken by the mass media both in Poland and in Germany. We have already earlier been aware of the great illwill of the inhabitants of the former GDR toward Poland, having had proof of it, and that is why I believe that several Polish institutes should be established [by Germans] to work on this problem. That is a necessity. On the Polish side, too, a great deal of work must be done to curtail Polish chauvinism, so that toleration would indeed be a supreme value and peaceful coexistence would be authentic and would be the sole road bringing us closer to Europe. I think that this is possible, because the skinheads are a marginal and anarchistic social group. While in Germany I viewed the film "Deutschland erwache" [Germany Awake!] showing a convention of former Nazis, and, to my surprise, it included scenes of our German minority in Silesia. It also showed Hartmut Koschik. It showed these people shouting that they wanted the boundaries of 1937 and a return to Germany. I believe that the authors deliberately showed these scenes. Such nationalistic tendencies are also perceived in Germany as a great danger. That is exactly how they were perceived by the Germans with whom I spoke, and it seems to me that the work I mentioned above is work cut out for more than one generation. It should be intended to rebuild large-scale toleration and prompt the abandonment of chauvinism by both sides. I must assuredly state, however, that unfortunately I am observing a growing arrogance among our German minority, whose representatives suddenly began to feel unusually sure of themselves, which is quite untypical of Silesians. So much that this astonishes me and I am asking myself what lies behind it.

[Klimczak] The power of the German mark.

[Simonides] Perhaps. Or perhaps this is due to some complex of that minority and its desire to compensate for that complex by identifying itself with a rich country like the FRG rather than with Poland, which is stumbling from one crisis to another.

[Klimczak] Unfortunately. We are left only with the hope that this great idea of the coexistence of Poles and Silesians, of Poles and Germans in Silesia, can be translated into reality. I wish you all the best in this endeavor and I thank you for the interview.

YUGOSLAVIA

Human Rights Activist on Meeting With Alia

91BA0214A Zagreb *DANAS* in Serbo-Croatian 1 Jan 91
p 22

[Interview with Kosovo human rights activist Zekeria Cana by Fahrudin Radoncic; place and date not given: "We Did Not Annex Kosovo"]

[Text] The recent seven-day visit to Tirana by Zekeria Cana, vice chairman of the Committee for the Defense of Human Rights and Freedoms and a well-known

Kosovo alternative member, and his meeting with Ramiz Alia, have caused considerable surprise and a fair number of controversial commentaries. Their harshness, especially in part of the Belgrade press, was further provoked by the fact that Cana's visit took place in the middle of the dramatic events in Albania, and, on the other hand, the Kosovo Albanians' complete boycott of the Serbian elections. Many people in Yugoslavia wondered—why was Cana visiting Ramiz Alia? Here is his answer for the readers of *DANAS*.

[Cana] First of all, I would like to say that what Radio Yugoslavia announced was not true at all—that is, that I allegedly went to Tirana in order to support the Stalinist system and prevent a breakthrough by democracy in Albania, and furthermore, to talk with Ramiz Alia about the idea of separatism and irredentism. I categorically deny such vile and sordid disinformation. I traveled from Geneva to Tirana for very clear reasons: both as a man and as an intellectual, and above all, as a human rights activist. I was very concerned about the events in Albania.

[Radoncic] If it is not a secret, what did you talk about during your meeting with Alia?

[Cana] I had two meetings, not one, with the Albanian head of state. In our conversation, which was not governed by protocol and was not just a courtesy call but instead quite warm and natural, I expressed great concern over the events in that country and my hope that a reprise of Romania would not happen. On behalf of the Albanian people living outside Albania, I asked Alia to live up to the challenge and not allow anything bad to happen in Albania. I also requested that he sign a decree freeing all political prisoners and extend the deadline for holding free elections, so that people would be allowed to express their will freely, but also so that the time needed for consolidation of the newly established parties would be gained.

I asked President Alia directly whether he was really a firm champion of reform and the option of pluralism in Albania. He answered in the affirmative, and I believed him, for the simple reason that after the events in Kavaja, Elbasan, Shkoder, and then in Dures, he did not permit the use of force against the demonstrators. I was also able to persuade myself that this was true during my talks with the leaders and activists of the newly established Albanian Democratic Party.

[Radoncic] A significant part of the Yugoslav public has usually seen your meeting with the Albanian president in the context of Kosovo. There has also been considerable speculation. It would be interesting to learn what you really said about Kosovo.

[Cana] Naturally, in a rather long conversation, which lasted for more than two hours on the first occasion, the topic of Kosovo could not be avoided either. Alia was very frank with me. He clearly emphasized that Albania very much wanted to have normal and close relations with Yugoslavia in all areas and at all levels, and that

Albania by no means wanted a Yugoslavia that had disintegrated. Absolutely not, Alia said; Yugoslavia was a Balkan entity and its destruction would help neither Albania nor the Albanian people. Alia stated specifically that if Albania, as a motherland, was concerned about the fate of its people in Yugoslavia, that by no means meant interference in Yugoslavia's internal affairs, just as other countries, like Italy and Austria, where there were Yugoslav minorities, were not criticizing Yugoslavia when it took an interest in their status in those countries.

[Radonicic] Did you talk with Alia about the present way of resolving the Albanian problem in Kosovo?

[Cana] He repeated to me what he had said at the United Nations and in his talk with Budimir Loncar in Tirana, that he did not approve by any means the repressive measures against the Albanian people in Kosovo and outside it. The fact that he did not approve them did not mean that he was interfering in Yugoslavia's internal affairs, because according to all the international conventions, which had been signed by Yugoslavia as well, every motherland state has the right and obligation to take an interest in the fate of its people outside that state.

[Radonicic] Part of the press is accusing you of talking privately to Alia about amputating Kosovo from Yugoslavia and annexing it to Albania.

[Cana] I not only reject such tendentious attacks, but I also have the honor to be able to inform the public that Ramiz Alia agreed completely with my view and opinion that the Albanian people, whether in Albania or Yugoslavia, should be oriented toward Europe. And since all of Europe is becoming integrated, the Albanian people should see the solution for its fate in integration with Europe. In my conversations with the Albanian head of state, but also with many other intellectuals I met, there was no discussion of any of the options that are being stubbornly attributed to us, of allegedly annexing ourselves to Albania, and advocating irredentism, separatism, and the idea of a Greater Albania.

[Radonicic] You found yourself in Albania precisely at the time of violent and unprecedented demonstrations. Finally, let us go back to "foreign policy" topics [as published]. If the press reported you correctly, you expressed very harsh characterizations of vandalism by the demonstrators. What led you to such views?

[Cana] That is disinformation, aimed at discrediting me as a person and as a human rights activist. I said that the warm winds of democratization could not by any means penetrate Albania through destructive and vandalistic acts, but only through civilized methods, dialogue and discussion. Everything else is not characteristic of the Albanian people and their essence. At any rate, it is perfectly clear to me that the entire civilized world condemns brutal and violent methods. I viewed the current situation in those terms. I also had another big reason for saying that, because there has been a monstrous idea for a hundred years that Albanians as a

people are inclined toward destruction and anarchy, and that they do not know what order, peace, and a law-abiding state are. It is another story that bureaucratic and dogmatic structures there were interested in having something bad happen in Albania, even a civil war, and in showing the world that Albania is supposedly not ready for democratic life and democratization, and that it has to have a totalitarian system and authority.

Charter of Serbian Autonomous Region of Krajina

91BA0202A Belgrade BORBA in Serbo-Croatian
4 Jan 91 pp 1, 5

[Article by C. Milivojevic, including the Charter of the Serbian Autonomous Region of Krajina: "Charter Annulled, Pensions Remain"]

[Text] On the last day of last year, the Constitutional Court of the Republic of Croatia "stayed" certain acts of the opstinas of Benkovac, Vojnic, and Dvor "which arose on the basis of the Charter of the so-called Serbian Autonomous Region of Krajina." Croatia's supreme judicial authority warned that it would also annul the decisions of other opstinas that might possibly recognize Serbian Krajina.

However, since autonomy for Knin and surrounding localities, mostly inhabited by Serbs, is an "accomplished fact" in spite of the determined opposition of republic authorities (provisional authorities of the Serbian Autonomous Region are already operative, and the Croatian flag no longer flies alongside the Serbian and Yugoslav flags on the Knin fortress), BORBA is today publishing the complete text of the Charter of the Serbian Autonomous Region of Krajina [SAOK].

What are the most interesting provisions of this enactment? The SAOK is being established to realize ethnic equality and also the specific cultural and historical features of the Serbian people inhabiting areas known in history as the Dalmatian and Military Districts, which are part of the Republic of Croatia, within the framework of federal Yugoslavia, states the Charter's first article.

Knin is the capital and seat of the highest authorities of the SAOK (the Assembly, the Executive Council, and chairman of the Executive Council).

The SAOK has a territory consisting of the territories of the present Northern Dalmatia and Lika Community of Opstinas, the territory of opstinas where Serbs represent a majority of the population and which have adopted a decision to join the SAOK, and also settlements in which members of the Serbian nationality constitute a majority of the population and which in a referendum have favored joining one of the existing or newly established opstinas with a Serbian majority in the population, states Article 4 of this enactment, which was signed by the Provisional Presidency of the Northern Dalmatia and Lika Community of Opstinas.

The day before the representatives of the Croatian Assembly proclaimed the new Constitution of the Republic of Croatia, the Croatian flag disappeared from its place alongside the Serbian and Yugoslav flags on the Knin fortress. On 21 December, that is, Milan Babic, president of the Knin Opstina Assembly and the Serbian National Council, congratulated the Serbs on "proclamation of the autonomy and Charter of the Serbian Autonomous Region of Krajina." "In Zagreb, they are demanding their own Croatia and their own constitution. We will not go with them, we want Krajina and Yugoslavia," Babic said on that occasion.

But the republic authorities sent a clear message—"We will not allow any autonomy to be established." The Constitutional Court of the Republic of Croatia, on a representation of the Ministry of Jurisprudence and Administration, rendered a decision on the last day of the old year which "stays individual enactments and acts based on the decisions of assemblies of the opstinas of Benkovac, Vojnic, and Dvor concerning adoption of the Charter of the Serbian Autonomous Region of Krajina and decisions to implement that 'Charter.'" The Constitutional Court also warned that it would "stay decisions of other opstina assemblies accepting that 'Charter.'"

In formal legal terms, then, the decision proclaiming Serbian autonomy in Croatia, according to this interpretation, is null and void, and the same applies to establishing the Northern Dalmatia and Lika Community of Opstinas. In actuality, however, at least as far as Krajina and environs are concerned, both the Community and the Autonomous Region of Krajina exist.

Because of the political tensions which proclamation of Serbian autonomy is already causing, and particularly because of the political consequences which this act might have, BORBA is publishing the complete text of the Charter of the Serbian Autonomous Region of Krajina:

Charter of the Serbian Autonomous Region of Krajina

Basic Provisions

Article 1

The Serbian Autonomous Region of Krajina is a form of territorial autonomy within the Republic of Croatia within which all residents independently exercise their rights and discharge their duties as established by the Constitution of the Republic of Croatia, by the laws of the state, and by the Charter of the Serbian Autonomous Region of Krajina.

The Serbian Autonomous Region of Krajina is being established to realize ethnic equality and also the specific cultural and historical features of the Serbian people inhabiting areas historically known as the Dalmatian and Military Districts, which are part of the Republic of Croatia, within the framework of federal Yugoslavia.

Article 2

Individuals exercise their rights and discharge duties in the Serbian Autonomous Region of Krajina directly, by popular initiative and referendum, and also through their freely elected representatives elected to the Assembly of the Serbian Autonomous Region of Krajina.

Article 3

In exercising rights and discharging duties of the Serbian Autonomous Region of Krajina, all citizens in it are equal regardless of race, sex, place of birth, language, nationality, religion, political or other conviction, education, social origin, property holding, or any personal characteristic.

Article 4

The Serbian Autonomous Region of Krajina possesses a territory consisting of the territory of the present Northern Dalmatia and Lika Community of Opstinas, the territory of opstinas in which Serbs are a majority in the population and which adopt decisions to join the Serbian Autonomous Region of Krajina, and also settlements in which members of the Serbian nationality constitute a majority of the population and which vote in a referendum to join one of the existing or newly established opstinas in which the Serbs comprise a majority of the population.

Article 5

Knin is the capital and seat of the supreme authorities of the Serbian Autonomous Region of Krajina.

Rights and Duties

Article 6

The rights and duties of the Serbian Autonomous Region of Krajina are exercised and discharged by its authorities as established by this Charter.

The Serbian Autonomous Region of Krajina:

1. forms bodies, organizations, and services of the Serbian Autonomous Region of Krajina and regulates their organization and operation;
2. adopts its Charter;
3. enacts the budget and final statement;
4. regulates the manner of election of deputies to the Region Assembly;
5. adopts decisions and general enactments regulating matters of interest to citizens of the Serbian Autonomous Region of Krajina in the areas of culture, education, official use of spoken and written language, public information, health and social welfare, child welfare, protection and improvement of the environment, land

use planning, tourism and hostelry, exercise of the freedom of religion, and in other areas of immediate interest to citizens;

6. decides on use of the resources of the Region;

7. enforces laws, other enactments, and general acts of the Republic of Croatia and the Federation whose enforcement has been entrusted to Region authorities;

8. adopts enactments to implement laws, other enactments, and general acts of the Republic of Croatia and the Federation when law, other enactment, or general act so provides;

9. sees to enforcement of Region decisions and general acts;

10. adopts the program for economic, scientific, technological, demographic, regional, and social development, development of agriculture and rural areas, and approves measures to implement it;

11. and also performs other functions as set down in the Constitution of the Republic of Croatia, the laws of the state, and also the Charter of the Serbian Autonomous Region of Krajina.

The Republic of Croatia may, in a law, entrust to the Serbian Autonomous Region of Krajina the performance of particular functions within the limits of its rights and duties and transfer to it the resources to perform those functions.

Article 7

The Serbian Autonomous Region of Krajina is entitled to revenues from its own taxes and a certain percentage of state taxes in proportion to the needs that arise out of its rights and duties as set forth in the laws of the state.

Region Authorities

Article 8

The authorities of the Serbian Autonomous Region of Krajina are the Assembly, the Executive Council, and the chairman of the Executive Council.

Article 9

The Assembly of the Region is the supreme representative body of the Region.

The Assembly of the Region, within the limits of competency set forth in this Charter, regulates particular matters of interest to citizens in the Region, as follows:

1. adopts the Charter of the Region and makes decisions amending it;

2. adopts the program for economic, social, and regional development;

3. adopts the budget and final statement;

4. adopts decisions, other enactments, and general acts;

5. organizes a referendum;

6. elects and dismisses the president and vice presidents of the Assembly;

7. elects the chairman and members of the Executive Council;

8. guarantees the autonomy of judicial and police authorities operating in the Region;

9. deliberates general matters within the limits of rights and duties of the Region and establishes the main lines of development in particular areas;

10. exercises oversight over the work of the Executive Council;

11. forms specialized and other services to meet its own needs;

12. makes decisions on incurring debts of the Region;

13. disposes of the Region's budget reserves;

14. and also performs other functions as defined by the Constitution of the Republic of Croatia, the laws of the state, and this Charter.

The Assembly of the Region may submit to the Assembly of the Republic of Croatia proposed versions of laws and other acts.

Article 10

The Assembly of the Region has 60 deputies.

The deputies are elected in direct elections by secret ballot.

The deputies are elected in electoral units.

The election and termination of the term of deputies and formation of electoral units are regulated by decision of the Assembly of the Region.

Article 11

Deputies are elected to a four-year term.

Elections for deputy must be held no later than 30 days before expiration of the term of the deputies whose term is expiring.

The office of deputies whose term is expiring ceases on the day of certification of the election of the new deputies.

The Assembly of the Region may decide, in a case of immediate danger of war or state of war, to extend the term of office of deputies so long as that state persists, that is, until conditions are created for electing deputies.

Article 12

The deputy represents the cities of the electoral unit in which he is elected.

Article 13

A deputy may not be called to account for an opinion expressed or vote cast in the Assembly of the Region.

Article 14

The Assembly elects its president and vice presidents to a four-year term from among the deputies.

The president of the Assembly represents the Assembly of the Region and performs other functions as envisaged by the Charter and operating procedure of the Assembly.

The president of the Assembly schedules elections for deputies.

Article 15

The Assembly of the Region is convened by the president of the Assembly on the basis of a decision of the Assembly or on his own initiative.

The president of the Assembly must call a session of the Assembly of the Region when this is requested by at least one-third of the total number of deputies or on the request of the Executive Council with an agenda established in advance, and also in other cases envisaged by the operating procedure of the Assembly.

Article 16

The Assembly decides by a majority of the votes in a session attended by a majority of the total number of deputies, unless a special majority is envisaged by this Charter.

Article 17

The Assembly may decide that a decision on certain matters within its competence be made by citizens in a Region referendum.

The Assembly is required to rule on a demand for scheduling a Region referendum submitted by at least 3,000 voters.

Article 18

The Executive Council of the Region is the executive body of the Region, within the limits of the Region's right and duties.

Article 19

The Executive Council is made up of the chairman, one or more chairmen, and the number of members fixed by decision.

Article 20

The president of the Assembly nominates to the Assembly a candidate for chairman of the Executive Council after first obtaining the opinion of representatives of the majority in the Assembly.

The nominee for chairman of the Executive Council presents his program to the Assembly and proposes the membership of the Executive Council.

The chairman and members of the Executive Council are elected if a majority of the total number of deputies vote for their election.

The Executive Council is elected each time a newly elected Assembly of the Region is constituted.

Article 21

The Executive Council and every one of its members are accountable to the Assembly for their work.

The Assembly may vote a lack of confidence in the Executive Council or in any single member of it.

Article 22

The chairman of the Executive Council represents the Region, promulgates decisions and other general acts of the Assembly, and performs other functions entrusted to him by the Assembly and the Executive Council.

Article 23

By its own act, the Executive Council forms entities to carry out Region decisions and other general acts, and it establishes their organization.

Adoption of the Region Charter and Commencement of Its Effect**Article 24**

The Charter of the Region is enacted by the Assembly of the Region by a two-thirds majority of its members.

Article 25

A specific decision is adopted to implement this Charter.

Article 26

This Charter takes effect on the date of its proclamation by the Provisional Presidency of the Northern Dalmatia and Lika Community of Opstinas and after it has been adopted by a majority of the assemblies of the opstinas belonging to the Community.

Constitutional Court President Interviewed

91BA0179A Belgrade BORBA in Serbo-Croatian
1-2 Dec 90 p 7

[Interview with Constitutional Court President Milovan Buzadzic by Bojana Ilic-Oprijan; place and date not

given: "Tarzan in the Paragraph Jungle: Milovan Buzadzic, President of the Constitutional Court, on All the Reasons for Infringement of the Federal Constitution"]

[Text] At the end of 1982, I had the occasion to say at a high-level meeting that legal order in Yugoslavia, and thus the country's legal system as well, is to a large extent in the process of disintegration, and that in certain segments it does not function at all: in Kosovo, for example. I said that we are in a jungle of paragraphs through which even Tarzan would have a hard time making his way. This idea of mine, blasphemous at the time, once again affirmed the statement by Bernard Shaw that "all truths begin as blasphemies." The erosion of the system proceeded gradually, at an accelerated pace later on, all the way up to today's complete constitutional and legal confusion, or rather the chaos in which no one is able any longer to find his way. This was how Milovan Buzadzic, president of the Constitutional Court of Yugoslavia, college-trained jurist and sociologist, and holder of a master's degree in political science, began his interview with NEDELJNA BORBA. The reason is that political pragmatism has "swooped down" on the Constitutional Court, the poignant step by politics into law, whereby the latter "must" resolve (un)resolvable political and economic controversies, because many eyes are fixed on this institution of the federation as the (last) hope for impartial arbitration.

To tell the truth, the Constitutional Court of Yugoslavia is literally swamped with issues from the political (and, in conjunction with that, also from the economic) domain, which is why it has acquired the dimension of supreme arbitrator of what will happen (and whether anything at all will happen) if the highest organs of an expropriated state apply the normal instruments of the legal order that is (still) in force. Naturally, this means nostalgia for the rule-of-law state, which we all hope for so wholeheartedly, especially in matters of "life and death."

Discord in the Paragraph

[Ilic-Oprijan] When could complaints be lodged about laws, and where would be the best place to do so in Yugoslavia?

[Buzadzic] According to Halifax, who was obviously considering other settings and circumstances, laws are "appealed" to jurists. For our system, however, this is not entirely accurate, since the creators of our domestic norms have not allowed meddling by that profession. Through that ordinance—or those ordinances—everyone has tried to "push through" his own interest, wording, or position. In this way, we have lots of norms that not even the most adroit jurists are able to decipher. They have resisted interpretation, even though we know that law is created in order to be applied. As a result, we have laws with different wording concerning the same material that are mutually contradictory. In addition, they are written in language that is hard to understand

even for experts. "Many predicaments come from peculiar language," the Romans believed. What does this mean for the application of laws? Very simply put—it makes it impossible.

[Ilic-Oprijan] To what period do you concretely link the beginning of the legal crisis in our country?

[Buzadzic] My opinion is that we have never fully respected the legal profession, and that the shortcomings have been emerging since the very outset. But from the point of view of jurisprudence, the fact is that laws and other ordinances in Yugoslavia were given a much more solid shape and form after the war, all the way up to the 1974 Constitution. Texts written by, say, Mosa Pijade were much more articulate than those that emerged later. Even the 1974 Constitution itself, from the point of view of normative technique, is not a constitutional text in the legal sense if we exclude the norms on civil liberties and rights. To say nothing of constitutional principles, the written style that we learned from political, or rather party documents. Since then, laws have moved in that direction.

The very content of that document is another story altogether. A constitution should come from a real foundation and give shape to life; it should not "fossilize" the status quo, but rather provide the opportunity for development. Our Constitution from that era is pure utopia on many issues. As Marx says: "The consequence of the conception of the political elite is that it can do everything that it wants," and transform will into the prime motive. In other words, the change in social conditions, especially an altered power situation, means that it is becoming a piece of paper. Imagine, as Lasalle wrote, that you have an apple tree in your yard, but you want it to be a fig tree. When it bears fruit, despite your belief, your desires, and the testimony of numerous witnesses, it is obvious that it will nevertheless turn out to be an apple tree.

[Ilic-Oprijan] In *The Misery of Philosophy*, which you have already quoted, Marx also says "that legislation records the will of economic relations." During the time of the 1974 Constitution, we "rubber-stamped" self-management. In the meantime, many things have undergone significant changes in the economic sense. Is this not precisely our greatest legal record of the obstruction to changes that we long for? What should we do with the phenomenon of social ownership in the sense of new laws from the federal government, say, the Law on Social Capital?

[Buzadzic] The idea of self-management was not born in our country for the first time. Life, which is stronger than any norms, showed us that it was unable to develop in our country in the form that we had proclaimed. The 1988 amendments were supposed to signify a step forward in constitutional decisions in general, and thus in adequate decisions on self-management and the area of ownership as well. These amendments did in fact provide contemporary solutions. Unfortunately, they are

vulnerable most of all in the sense of the possibility of various interpretations. In social ownership, we now have norms that are mutually contradictory. The constitutional norms and basic principles of the Constitution that are in force proclaim something entirely different from the amendments. Moreover, the original text of the normative part of the Constitution and the amendments do not correspond in the least. The normative part—and thus the amendments as well—should be interpreted within the framework of the principles, and today this causes a certain amount of vagueness and hesitation in discerning the legal significance of constitutional norms concerning social ownership. In my opinion, the text of the Constitution nonetheless leaves the door open to the “controversial” Law on Social Capital.

Court That “Thinks”

[Ilic-Oprijan] Political cards from the “hands” of the republics are increasingly being examined by the Constitutional Court of Yugoslavia in order to assess their constitutionality and legality. It is a fact that inspiration for the renunciation of the competence of the institution that you head is found primarily when certain federal entities are personally affected. We would mention the Kosovo “declaration” and, of course, the problem of its interpretation....

[Buzadzić] There is no doubt that declarations, as general documents, must be in agreement with the Constitution. However, there are also those of a purely political nature about which we cannot hand down judgment. Unless they disrupt the legal order. If, say, a document “of a purely political nature” says that it does not recognize the federal or, in the “Kosovo case,” the Serbian Constitution, then this is subject to examination by the Constitutional Court. Ultimately, if the document is legal in nature, regardless of what it is called, we will clearly pass judgment on it, since it is necessary to proceed from the content, not from what it is called. The declaration associated with Kosovo is precisely that, regardless of the fact that it is called constitutional. Proceedings in that matter should be brought to a close.

[Ilic-Oprijan] The Constitutional Court of Yugoslavia is the one institution whose word about who has deserted the Constitution is supposed to be decisive. Unfortunately, the execution of decisions and opinions by the federal Constitutional Court has been sidetracked by federal legislation. For example, amendments to the republican constitutions have remained fresh memories....

[Buzadzić] Because decisions by the Constitutional Court are binding, their execution is guaranteed by the Federal Executive Council [FEC], and we can demand that measures be taken against the responsible persons if they do not execute them. As far as opinions are concerned, things are different. The erosion of the legal system has gone so far that, after the 1988 amendments, amendments to the republican and provincial constitutions emerged. Unlike with laws and other ordinances

where decisions are handed down on conflicts with the Constitution of Yugoslavia, the Constitutional Court appraises the constitutions of the republics or provinces in the form of opinions that it provides to the Assembly of the SFRY. And we have found that, aside from the Montenegrin amendments, all others contained certain provisions that are in conflict with the federal Constitution. The Federal Chamber considered the opinion of the Constitutional Court of Yugoslavia and adopted resolutions specifying the term for eliminating the conflicts. However, only the Assembly of Bosnia-Herzegovina has done so.

When we talk about an opinion of the Constitutional Court of Yugoslavia, about the conflicts of republican and provincial constitutions with the Constitution of the SFRY, the problem is the different understanding of the legal nature of such an opinion. Some say that the opinion has the force of a decision, while others say that what we have is simply an appraisal, i.e., “information,” and that eliminating conflicts is the task of political mediation. The truth is that the Federal Assembly has never considered some of our opinions. Instead of eliminating conflicts, we have seen subsequent amendments to the republican or provincial constitutions and, of course, the new Constitution of the Republic of Serbia. Both these amendments and the Constitution of Serbia contain provisions that are in conflict with the Constitution of Yugoslavia.

All Republican Constitutions Contestable

[Ilic-Oprijan] In this regard, and in terms of initiating proceedings on its own initiative based on the constitutional competence of the Constitutional Court of Yugoslavia, is there any possibility of bringing such action with regard to the Constitution of Serbia and the constitutions of the other republics?

[Buzadzić] I personally think that such action must be brought. But still, this is a decision by the Constitutional Court of Yugoslavia, and whether it wants to do so is something that it itself will state. Today, the question is seriously raised of what the Constitution of Yugoslavia is and whether we are a constitutional country.

[Ilic-Oprijan] You are in favor of honoring the federal Constitution as long as it is in force, regardless of whether it is an adequate framework for current social changes. It appears that we are faced with Hamlet's dilemma: how to create federal laws directed towards the future while at the same time remaining within the framework of the “old-fashioned” Constitution, which is having a braking effect on changes.

[Buzadzić] Right now, that is a matter of political and legal dexterity; making possible changes in federal legislation insofar as the federal Constitution allows, and pressing on with its modifications. In contrast, we are entering into even greater turmoil, which brings with it the danger of the complete collapse of the legal system.

[Ilic-Oprijan] What do you have to say about laws "from the drawer," or more precisely, ordinances promulgated in secret "Gazettes," confidential publications, as happened recently with Serbian ordinances on commercial deposits—taxing goods from "Western" republics? How do you assess the constitutionality of norms proclaimed in this way?

[Buzadzie] A norm must be promulgated publicly in order for it to be respected and executed. However, laws on the promulgation of ordinances have provided for the possibility of the existence of confidential publications. This court will decide on whether this is constitutional in the proceedings that are already under way. But it should be emphasized that ordinances from such publications concern certain businesses and addressees and that they are familiar with them, at least when we are talking about federal ordinances.

The Constitutional Court of Yugoslavia, unfortunately, does not receive confidential publications from the republics! In any event, none of this type of publication can include an ordinance that relates to all subjects in the country; on the contrary, that is in fact unconstitutional. No one can be responsible for norms that he did not have the opportunity to be aware of. This is more than absurd.

[Ilic-Oprijan] In order to remove norms from the legal order, whenever this is urgent, the Constitutional Court of Yugoslavia has the option of issuing temporary measures. The impression is that such measures are not especially "popular."

[Buzadzie] The Constitution established that the Constitutional Court may, in the course of dealing with constitutionality and legality, suspend the execution of individual actions if their implementation could have inevitably harmful consequences. It is not always easy to clearly establish the existence of such consequences, and in this sense we rely on the reasoning and argumentation of competent state organs. This is why the introduction of temporary measures is sometimes a long time in the making. For example, it was not a problem when we considered one provision of the Penal Law of Vojvodina. A condemned man was given a death sentence, and he exhausted all of his legal remedies. Here, there was no problem in clearly establishing the inevitably harmful consequences once it became clear that the man could be executed by firing squad. In the end, we handed down a decision on the unconstitutionality of that law.

But with the latest request by the FEC, it was in fact difficult to clearly establish the existence of inevitably harmful consequences resulting from the higher price of gasoline. This is why we requested additional grounds from the government. Even though a temporary measure was issued for only one provision within a package of Serbian laws, additional argumentation was requested for the others.

[Ilic-Oprijan] Are you thinking about the Serbian decision on the payment and allocation of part of the basic tax on the trade in goods and services and of part of the duty collected?

[Buzadzie] Yes. Duties and the basic tax on trade, which are authentic federal revenues, cannot be paid into individual republican accounts. They must be paid into the federal treasury. The issue here is that these funds belong to the federation under federal laws. Look at what the harmful consequences of this could be: These funds are used to finance the military, customs, veterans, etc. What will the federation do if it does not receive this money? We are absolutely clear on this point.

Authorities "Do Not Cherish" Constitutional Court

[Ilic-Oprijan] We are in the process of pluralizing the state. Does a multiparty system, especially on the federal level, have an adequate base of support in the current Constitution?

[Buzadzie] Earlier, I went so far as to write that there can be a multiparty system under the current Constitution. What is questionable is this: Must parties act through the SAWP [Socialist Alliance of Working People] of Yugoslavia? I believe that the Law on Multiparty Existence could have been adopted even earlier. And that, regardless of the fact that the Socialist Alliance no longer exists, it is possible under the Constitution of the SFRY to form parties. Otherwise, the elections already held could be declared null and void.

[Ilic-Oprijan] The true legal cure for a state split along republican or national lines could in fact be an independent judiciary, whose members are above present-day political "separatism." Based on your experience with geopolitical divisions, are there "legal vacuums" in the work of the judges on the Constitutional Court of Yugoslavia?

[Buzadzie] A similar question was recently put to me by the head of the Council of Europe delegation, who noted that authorities, political functionaries everywhere, do not want a constitutional court since they do not like to see laws overturned. And secondly, that judges are people made of flesh and blood who come from various environments, so that it is hard to ensure complete impartiality. The Constitutional Court of Yugoslavia has two judges from each republic and one from each province, and given the nature of the Yugoslav federation, this composition is not arbitrary. However, they are neither representatives of their environments nor elected delegates to the Chamber of Republics and Provinces. The Constitutional Court of Yugoslavia and its members defend the federal Constitution, and I assume that each of us responds according to his own conscience. Remember Rabelais: "Consciousness without a conscience is simply a wasted mind." As president of the court, I deliberate on these bases, and I regard political republican-provincial coincidences in legal ideas exclusively as a matter of differing interpretations. After all, we also have examples supporting this, where the two

judges from the same republic have divided opinions and vote differently on the same constitutional question.

[Ilic-Oprijan] Finally, many people criticize the Constitutional Court of Yugoslavia for its "lengthy indecision." In practice, this means that some decisions are made because events in political forums have long since run roughshod over them and the subject matter is becoming "stale." Does such a narrow formal-political aspect "ignore" political-moral implications?

[Buzadzic] But we aren't the tax inspectors, an operative body that has to act quickly. I believe in the popular saying, "everything that is fast is also incomplete." We are talking about complex issues, intricate legal questions, time limits set by our standing orders for giving the "other side" the opportunity to speak out about possible unconstitutionality. We really have to sweat it out in order to hand down a decision, especially since it is final, with no possibility of further review. How are we supposed to "pass judgment" in a day or two on a law that takes two, five, or even more years to adopt? After all, we take into account the work of constitutional courts from all over the world.

[Box, p 7]

Sword of Dissension or Reform

[Ilic-Oprijan] Everyone can clearly see the constitutional crisis, engage in debate about it, but there are few people who can predict its outcome. What is the solution, in your opinion?

[Buzadzic] First of all, we must find the democratic minimum of harmony, because I am convinced that our nations have a reason to live together—for the sake of survival. We must find the strength to rationally discuss our common future, a community that will satisfy everyone. A dialogue on this is impossible by dredging up "historical mistakes." I might recall Churchill's thought, expressed in 1940: "If we do not stop quarreling about the past and present, we will lose the future."

The fact is, however, that it is difficult to return a drawn sword to its sheath. Personally, I think that at the moment the only real way to escape the constitutional crisis is to adopt the FEC amendments. This, more than anything, is the reform course that will make prosperity possible. Political solutions are always inexorably linked to economic ones. In my opinion, the federation is a true community, but because we have long committed ourselves to self-determination, this means that everyone has the right to decide where he would rather be.

[Box, p 7]

Extending Mandates—Unconstitutional?

[Ilic-Oprijan] In your opinion, is the decision to extend the mandates of delegates to the Federal Chamber of the Assembly of the SFRY constitutional?

[Buzadzic] In this case, I cannot say, because only the Constitutional Court can decide on constitutionality. But I will also tell you some of my thoughts concerning this decision. There is no doubt that the Constitution of Yugoslavia, in Article 308, provides for an extension of the mandates of delegates to the Assembly of the SFRY under extraordinary circumstances. Immediately, the question arises: What are these "extraordinary circumstances," who determines that they are present, and has this been done in this case? Secondly, the decision to extend the mandates is made by the Federal Chamber and the Chamber of Republics and Provinces—on an equal basis—Article 288. Thirdly, the mandate is extended for the period of time that the extraordinary circumstances continue. In the concrete case, this was effected until the newly elected multiparty Assembly of the SFRY is formed.

Ultimately, the mandate of delegates to both chambers of the Assembly of the SFRY was extended back in April of this year under constitutional law. How is it possible first to extend mandates under constitutional law for both chambers, and now under a decision by the Federal Chamber, only for the delegates of that chamber? All of these are questions that arouse certain misgivings.

[Box, p 7]

All Are Equal Before the Law

[Ilic-Oprijan] In recent times, there have been comments on the federal government to the effect that the laws of Serbia are most frequently "sent" before the Constitutional Court. What do your records show?

[Buzadzic] That impression was gained after the latest proposal by the FEC, but I think that otherwise that conclusion cannot be drawn. If, for example, we raise the question of the contrariety of the constitutional law on adopting amendments to the Constitution of Slovenia, then it can be seen that questions have been raised about disregard for 27 federal laws because of that law. And 27 is more than 12—the number that came from Serbia in the latest "package" from the FEC, as authorized proposer.

Otherwise, the Constitutional Court of Yugoslavia can also initiate action, but we get such subjects from the proposer and cannot get them on our own. An example: The Presidency of the state initiated action in order to assess the constitutionality of Article 12 of the Law on Internal Affairs of Slovenia. In connection with this, the Constitutional Court initiated action against all republican and provisional laws on internal affairs.

CZECHOSLOVAKIA

Finance Minister Explains Some of His Ideas

91CH0221A Prague LIDOVE NOVINY in Czech
20 Dec 90 p 7

[Article by Tomas Skrdlant: "Life on Credit"]

[Text] In the August issue of VEDE A TECHNICE MLADEZI, Minister of Finance Vaclav Klaus told young people that "as minister of finance I set no ecological goals for myself." But he immediately continued: "The sole solution for ecological problems in our country lies in the introduction of a normal market economy. We know full well that the environment is destroyed to the maximum extent in countries where they do not have a market economy. A normally functioning market economy is the core of everything, that is to say, an economy which, as we economists say, assigns the right value to all things. In other words, even to water, air, and everything else."

The "correct" price should perhaps reflect all factors, not only those of the locality and of the moment. How would it be with the price of fossil fuels which, without a doubt, move today's economy and ecology? Normally, there are two yardsticks: 1) The difficulty with which an item is acquired; and 2) the demand or desire by an individual as well as society. In the first case, however, we must include not only the costs of extraction and transportation, but also the limitation of availability and the lack of renewability of the sources involved. The moment we reject this, we are living on credit, we borrow from the future.

Vaclav Klaus does not agree with "our joint future." He calls the report by the UN Commission for the Environment, which bears the same title, a "one-sided view of the world and a shallow text." Let us attempt to connect such a view with his view of an all-solving market economy. Although a two-sided view is still not a true reflection of the facts, it does facilitate depth perception—as our own two eyes teach us. In other words, information on that which is more immediate and that which is more removed. Maybe then we will not consider that which is only most immediate to be greater. To the extent to which we are interested in the actual dimensions of things.

"Sustainable development" is a fundamental and actually an economic concept of the above report. It means such development which will not be accomplished at the expense of the future, the cost of which we will not borrow from our yet to be born progeny and the consequences of which we will not leave for them to solve.

This is not only a matter of nonrenewable resources: the price of petroleum should, for example, reflect even the costs resulting from all petroleum disasters. If we do not do so, there is another creditor here. Nature! We borrow things from nature which it will be difficult to repay (by

the way, it will likely be our children rather than ourselves who will be doing the repaying); and it can happen that the continuous loans can weaken our creditor to the point where she ceases to be solvent. And without this partner, any type of our undertaking on this earth is a still greater mirage than the establishment of communism.

In other words, if we abandon the viewpoint of only immediate and only financial profitability, we can see that the prices of all petroleum products should be far higher. Their principal consumer is transportation. Here, "correct" prices would likely mean the end of individual motor travel. This activity is highly subsidized by the state, without our noticing it. I am afraid that not even the state itself had noticed it.

The prices of vehicles or taxes based on their operation do not reflect the following components, among others: the building and maintenance of highways, the direct and derivative consequences of traffic accidents (material damage, death, damaged health, as well as social damages). However, the health impact of automobile operation is not limited to accidents. Engine emissions, noise, oil penetrating into groundwaters, asbestos entering our lungs—these are all taxes we pay and we pay them in kind; whereas, in market relationships, they should be paid by the users and they should be paid in cash. Or is health perhaps not an economic value?

I chose the example of automobile travel because it more clearly than any other illustrates the second value yardstick—demand. The relationship with respect to the personal automobile is a particularly good illustration of the irrationality of consumer needs. People will drive automobiles essentially at any cost, not only financial costs, but also at the cost of their health. Here, man stands against himself and, in him, the present is victorious over the future. The immediate advantage of comfort or gratification prevails over the long-range, future, and therefore intangible risk: a degradation of health, a shortening of life or its pauperization. More than anything else, this resembles drug dependency.

And if we can rise above the level of the everyday consumer lullaby, we shall see that this entire longing for a torrent of industrial products has a long way to go before it can match rational life requirements and is more likely approaching irrational dependency. This longing is the principal motive force behind the market economy and that economy multiplies it and develops it. A little like an avalanche.

A manufacturer is undoubtedly pushed to produce quality merchandise at a cheap price, but also is compelled to bring out every new type of product, irrespective of its real usefulness. And so the merry-go-round of raw materials consumption and energy consumption, the production of a constantly larger number of items of ever-shorter-lived utility, begins to spin faster. This is the economic prosperity of a market society. Primarily, its value relationships take into account the demand of

the moment (frequently artificially stimulated) and the capability of the moment to satisfy it.

The minister compares society to a sinking Titanic which is taking on torrents of water. He compares the system of tax measures to benefit the environment to painting the deck chairs on the upper deck. When the ship stops sinking, it is then possible to devote oneself to this whipped cream on top of the cake. If we stick with the comparison, then our ship is going under mainly because it has two holes in it: one is a nonfunctioning economy and the second is the lack of respect for ecological relationships and the tragic devastation of the environment. If we set about to repair the former without regard to the latter, the latter will get larger as a matter of natural laws. It is indisputable that the greatest ecological problems in the world came into being as the result of a market economy which has no other negative feedback circuits other than its own lack of profitability. There is no argument that countries with the most highly developed market economies have progressed the furthest with respect to rectifying ecological disasters. This attests only to their flexibility and their capability to adapt to the newly developed situation. As Konrad Lorenz said, "If the great mistakes of our Western civilization are normally committed first in America, then it is in that country where they are recognized and rectified sooner than elsewhere."

Unfortunately, our "new economic policy" lacks this flexibility for the time being. It rigidly insists on returning to the European market economy—of course, to that of the 1960's. A small, but significant example by dint of circumstances from this same activity area: increased prices for mass transportation. It is not a question of its actuality, but rather of the procedure by which it came about. The substantive report details an analysis of the lack of profitability among the individual operators of mass transportation. The proposal then takes up the social impact of increasing prices and looks for compensation. But only in a single sentence, and it is in parentheses, does it mention the "unfavorable impact on the environment." No analysis, no prognosis, let alone a proposal on how to mitigate this impact—only a brief mention that it will come about. This is a typical example of the one-sided application of market principles without any kind of regard for the ecological side of things.

I do not doubt that price increases must occur and I admit that even mass transportation should be more expensive. But every measure having any kind of connection with the environment should be discussed from this aspect in the same amount of detail and with the same amount of professionalism as it is from the economic aspect. This is done in the Europe to which we want to return! It is only because of this that Europe is beginning to come to terms a little better with the ecological crisis into which the market merry-go-round has brought it. The faith which the Communists had in the benefits of heavy industry was only a more naive and

more primitive likeness of the faith in technical progress and the exponential growth of production on the other side of the Iron Curtain.

Without a doubt, a market economy is an effective system of economic relationships and its positive self-regulating ties are the most effective stimulus for social movement. But precisely because they are only positive. Cybernetics teaches us that systems which are controlled only by positive feedback are unstable and tend toward self-destruction. In nature, for example, it is the avalanche or a fire. Living organisms without negative feedback are not to be found in nature. They would not survive. A wise system actually knows this and develops and supports negative feedback. A wise man as well as a wise society. The stability of democracy lies in not suppressing the opposition; the stability and future of every wise economy lies in respecting and accepting the regulatory function of social, ecological, and cultural pressures. Today, we heard only about those ecological pressures. If they are not going to be legislatively accepted by an enlightened government which will not fall prey to the optimism of an avalanchelike market development, they will soon show up in the guise of cumulative health, psychological, and political pathogenic factors.

POLAND

French Cooperation Agreement Assists Enterprises

91EP01078A Paris LE MONDE in French 6 Dec 90
p 39

[Article by Charles Vial, special correspondent: "Regional Enterprises Explore Polish Market"]

[Text] Warsaw—With 38 million inhabitants, the market is vast. And the money will come; one has to believe that. Prospects appear to be enormous. The nearly two dozen entrepreneurs from Ile-de-France [Paris region] who visited Warsaw last November suspected their trip to Poland might unearth interesting possibilities. What they found exceeded their expectations.

Though some agreements were signed before they returned to Paris, nothing has come to fruition yet...because working with Polish companies is not as simple as a stroll in the park. One obstacle can hide behind another, and problems nest one inside the next like the Gorbachev nesting dolls being sold these days at Market Square in the city's old quarter.

Archaic Telecommunications

In organizing its trip to conclude a cooperation accord with the city of Warsaw, the Ile-de-France regional council also did much to smooth the way for the entrepreneurs it invited along, most of whom were heads of small or medium-sized enterprises. The Polish capital

did its part, too, for example by providing each French executive a vehicle and interpreter. This enabled the businessmen, by their own account, to make more productive use of their time than would have been possible with group meetings.

Such gestures were needed to overcome the rather formidable obstacles. The accessibility, good humor and dynamism of their Polish interlocutors—one of whom was the distinguished and spirited mayor of Warsaw, Dr. Stanislaw Wyganowski—did much to make up for the cold and thick gloom of the city. But telecommunications in this country are unbelievably primitive. The equipment for handling international calls, a matter of very low priority to the pre-1989 regime, works only sporadically, a fact that will greatly complicate the work of foreign businessmen and enterprises. At least over the short term: Polish authorities, very much aware of this deficiency, have already been in contact with telecommunications firms, including Alcatel. The market for telecommunications equipment seems substantial.

The Germans have shown that these obstacles can be overcome. Although the wounds of the Nazi period are still far from healed in the eyes of many Poles, German manufacturers and traders have gone all-out in their pursuit of new business opportunities. "The French have arrived on the scene," admits Mr. Alain Bry, the French ambassador. "But the Germans are visiting each of the 47 voivodeships (equivalent to French prefectures). They seem to be everywhere, while the French seem to be nowhere."

Result: Nearly half of Poland's external trade is with Germany, while only 3 percent is with Sweden. And 87 percent of Polish students try to enroll in German classes, after learning English. Warsaw has relatively low-cost access to German-language television broadcasts—but French broadcasts are unavailable. The books the regional council delegation distributed at a Polish high school were only a token.

The presence in Warsaw of Mr. Pierre-Charles Krieg, the RPR (Rally for the Republic) president of the Ile-de-France regional council, gave the entrepreneurs accompanying him the opportunity not only to make business contacts (the first such contacts, in some cases) but also to meet with political authorities. Real progress was made on proposals which previously had been little more than vague notions. Mr. Bernard Felix, CEO of Matra-Transport, whose renovation work on the Budapest subway was deemed highly successful, moved forward with negotiations on a contract to automate the guidance system for Warsaw's Soviet-built metro.

One of the leaders of the ACCOR group, which has built six Novotels in Poland, met with the deputy minister for privatization, whose decisions could open up a very large market. Likewise the head of the Campanile chain, whose intermediate hotels are perfect for a country like Poland. The presence in Warsaw of Mr. Michel Elbel, UDF [French Democratic Union] vice president of the

regional council, who specializes in waste purification and elimination—a subject of great concern in Warsaw—put Paris in a good position for contracts to build incineration plants.

Furs, Machines

The heads of small and medium-sized industries seemed even more surprised by the discovery of hitherto unsuspected possibilities. A mapmaking firm will conduct a cadastral survey of communal property. One fur trader received a big order for fur garments (imported from China) which he will reexport after "adapting" them to the Polish market. Eventually he will open a boutique in Warsaw. Mr. Pierre Trullas, who manufactures ultra-high-speed trench-digging machines under American license, was interested in building a new plant there. His Polish interlocutors encouraged the idea, but the need is so urgent in Poland that they asked him to deliver 100 of the machines—about four times his current annual sales volume—in 1991 alone.

The uncertainty that still hangs over this cooperation is obviously linked to the country's political and economic situation. Tadeusz Mazowiecki's government planned to privatize half the country's enterprises before 1994. That decision should not be affected by next Sunday's presidential election. To business leaders from the Paris region, this coexistence of still-somnolent state enterprises and very dynamic new private enterprises seemed rather precarious, since the latter give the impression, as one industrialist put it, "of being ready to fly off in all directions." With more than \$40 billion in external debt (LE MONDE of 8 November) and GNP down 10 percent in the first half of the year, the Polish economy is still on the critical list.

All the more reason to cement contacts. On the eve of the trip to Warsaw, the regional council launched a training program for 120 Polish management personnel. And if anyone needed reminding that the notion of cooperation implies exchange in both directions, benefit for both sides, the words spoken by the voivode of Warsaw when the accord was signed should suffice: "We are pleased that by signing this accord with Warsaw you have established a bridgehead for cooperation with other countries in Eastern Europe."

Terms for 1991 Enterprise Operations Proposed

91EP0149A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 27 Nov 90 p III

[Unattributed article: "Operating Conditions of Enterprises"]

[Text] A team of economic advisers under the Economic Committee of the Council of Ministers has drafted a document discussing the anticipated operating conditions of economic entities in the year 1991. Such knowledge is immeasurably needed for the adoption of rational

economic decisions by enterprises. We believe, therefore, that this document, lengthy as it is, will be read with great interest.

In the present situation it still is not possible, for various reasons, to indicate all the conditions that would underlie 1991 enterprise operations. Some of the institutional solutions described below are contained in draft legislation that has not yet been passed by Sejm. Similarly, the external conditions markedly influencing the nation's economy have not been completely defined. But even incomplete information, including information on causes of uncertainty, is crucial to decisionmaking and, in effect, to an improved performance of the economy in 1991.

I. External Conditions and the Mechanism of Foreign Economic Relations

1. External Conditions

a) Increase in Crude Petroleum Prices and Trends in the World Economy

The Polish economy in 1991 will be subject to special external pressures.

The principal cause of the attendant perils is the already existing as well as the potential consequences of the political crisis in the Persian Gulf.

The resulting rise in the prices of crude petroleum is causing:

- A markedly higher cost of importing crude, as a direct consequence.
- Indirect effects reflected in the prices of many goods in foreign trade, effects ultimately adverse to our economy.

Assuming that oil prices will not exceed an average of \$30 a barrel, the OECD [Organization for Economic Cooperation and Development] anticipates that the growth rate of the industrialized countries will decline by 0.5 to one point (i.e., up to two to 2.5 percent) and inflation will accelerate by about one point (i.e., up to 5.5 to six percent). A major economic recession is not expected, but the forecasts of the economic situation vary and do not preclude certain economic regression, particularly if the monetary policy is relaxed.

A substantial decline in the growth rate of world trade is predicted for 1991 (from about seven percent in 1990 to less than six percent in 1991). The situation as regards the equilibrium of current balance sheets is unclear. Further disturbances may occur in the flow of world savings, which may exert pressure on the increase in interest rates. But it is the developing countries, the net importers of oil—the exporters will improve their terms of trade—and the countries of East-Central Europe that the “oil shock” will hurt most.

Hence ensues the necessity of greater efforts by producers and exporters to hold on to their existing markets

and and a broader drive for winning new markets. For every enterprise an increase in exports will be a major factor in stabilizing its financial and economic situation.

b) Changes in Rules for Trading with CEMA Countries

In 1991 the terms of trade for Polish exporters will change fundamentally as a result of the transition to clearing accounts in convertible currencies with the countries of the first payment zone [transferable ruble], and to a system of negotiated prices and accounting in consonance with the world terms of trade.

Only the contracts implemented in 1990 and the contracts existing in the final stage of implementation can still be settled in transferable rubles during the first quarter of 1991. All the other contracts negotiated in transferable rubles will have to be renegotiated in terms of convertible currencies.

Trade and settlement of accounts in other terms (barter, compensation), based on mutual understanding between parties, also are envisaged. The terms for goods delivery, the prices, and the terms of payment, will be each time determined in contracts in accordance with the rules of international practice, which means that the general terms of delivery for CEMA countries are ceasing to be mandatory in this respect.

2. Mechanism of Foreign Economic Relations

a) Currency Exchange Rate

The policy of a stable currency exchange rate will be maintained. This rate will remain the expected anchor stabilizing domestic currency.

b) Customs Duties

After 1 January 1991 the suspension of customs duties on a majority of dutiable items will remain in force, with about one-half of duty rates on dutiable items to remain completely suspended—which means that no duties at all will be collected on these. For about 25 percent of dutiable items the duties will be suspended by 50 percent, and for about 16 percent of the items they will be suspended by 30 percent. The currently charged duty rates are among the lowest in Europe, averaging less than four percent of the dutiable value of merchandise.

On 1 July 1991 a new tariff schedule comprising about 11,000 dutiable items will be introduced, in connection with the transition to the eight-digit customs classification employed by the EEC.

c) Other Import Restrictions

The scope of these restrictions will be limited and reduced to requiring:

- Licenses for imports of readily combustible materials, isotopes, and specialized military and police equipment.
- Controls on shipments of alcoholic beverages.

Import prohibitions will be reduced to a minimum (unflavored vodkas and spirits, cars with two-cylinder engines).

d) Export Restrictions

It is assumed that during the first half of 1991 the export tax will be retained only for selected grades of coal and for motor fuels, until the value-added tax (VAT) is introduced.

Export quotas and other restrictions: Only the export quotas set chiefly by the EEC, the United States, and Canada will be followed. This refers to quotas on textiles, garments, metallurgical products, and certain foods.

It is also expected that export licenses will still be required for certain products, chiefly foods (e.g., butter, cheeses, powdered milk, frozen fruits, etc.), in consonance with the price restrictions applying in international trade.

e) Main Elements of the Export Promotion Policy in 1991

The policy of promoting exports comprises institutional changes in foreign trade, improvements in the financial servicing of that trade, and such traditional forms of export promotion as the provision of information and the organization of trade fairs and exhibitions. The institutional changes will consist in the rise of private foreign trade firms, the demonopolization of state foreign trade agencies, the organization of export and import consortiums, the establishment of foreign branches and offices of Polish companies, the construction of new frontier crossing points, and the streamlining of the operations of the Customs Service, as well as in opening the economy by letting foreign enterprises participate in Polish foreign trade on a broad scale. As for the improvements in the financial servicing of foreign trade, these will include the expansion of the banking network, and in particular the formation of new commercial banks and the establishment of an embryonic market for insuring export loans as well as for insuring exporters against the risks of the trade.

An important element of export promotion is the continued adaptation of the Polish economy to EEC conditions, including the introduction, in the very near future, of the bar coding of merchandise and the unification of the standards relating to farm exports. The adaptation will take place at all levels, that is at the level of intergovernmental agreements and at the levels of regional coordination and direct cooperation of companies.

f) Main Elements of Policy on Foreign Investors

It is expected that foreign investors will be present in Poland in a twofold form: as partners in newly formed companies with limited responsibility and as buyers of stock in the already existing companies being privatized or in private companies. The new Law on Joint Ventures will provide suitable incentives for the commitment of

foreign capital to economic activity, above all by offering safeguards against the expropriation of foreign-owned assets through, chiefly, nationalization, as well as by assuring the possibility of complete repatriation of all profits earned by foreign entities and providing for tax relief in cases of investments of special importance to this country. At the same time the requirement of applying for operating permits will be reduced to a minimum for foreign entities. In addition, the tax reform based on introducing the VAT will afford improved institutional conditions for the operations of all enterprises and entities, including foreign ones.

The operations of foreign enterprises in this country will be promoted by the establishment of the needed infrastructure in the form of an appropriate network of banking services and commercial-loan and risk insurance. Of great importance will be the waging of intensive promotional activities by the Agency for Foreign Investments, and in particular by its publicizing all over the world the conditions for investing in Poland and providing potential investors with information on specific investment opportunities.

II. Institutional Solutions

1. The Wage Regulation System

The conditions anticipated for 1991 point to the need to continue central wage controls. The guidelines for these controls will be so structured as to promote the attainment of fundamental social and economic goals, namely:

- Preventing the return of soaring inflation.
- Encouraging the economic proactivism of enterprises.

It is assumed that wage controls will not apply to private and privatized enterprises, provided that these have no market monopolies.

The basis for reckoning wages below the tax on exceeding the wage ceiling in 1991 will be the 1990 wage norm rather than the wages actually paid in 1990. It is assumed that this basis will be represented by the normative wage for December 1990, as fixed pursuant to the regulations currently in force.

The wage fund reserve (the unutilized 1990 norm) can be freely utilized in 1991. Such a solution will serve to pursue a rational wage-increase policy.

The enterprises which at present are introducing wage raises in order to utilize more rapidly their wage fund reserves may find themselves in a situation in which the monthly wages they pay could next year rise to a level warranting the imposition of the tax on wage increases or they will find it necessary to reduce wages in order to avoid paying that tax.

2. Social Security Premiums

It is expected that ZUS [Social Security Administration] premiums will remain at the unchanged level of 43

percent [as published] in 1991. The premiums will also be deducted from bonuses and profit-sharing payments.

3. Prices

In 1991 the scope of application of official prices will be further curtailed. It is expected that official prices will be abolished for the following items:

- Rents for municipally owned housing (upon restricting the scope of rent increases).
- Telecommunications services.
- Postal services (with restrictions on increases in fees for so-called common services, such as special delivery, parcel post, and money-order fees).

At the same time, an energetic antimonopoly policy will be pursued to counteract the imposition of monopoly prices. To this end, duties on imported goods will be suspended whenever imports of such goods counteract monopolies held on their domestic counterparts by domestic producers. In addition, restrictions on price increases will be applied to producers who exploit their monopoly positions to impose cumbersome contract terms and dictate prices.

Measures intended to eliminate distortions in the official prices of shipments of energy carriers and passenger transportation will have to be continued, as will be measures intended to adjust the structure of domestic prices to a market economy.

4. The Tax System

In 1991 a reform of the tax system will be carried out. The overall goal of that reform is to simplify taxes and assure equal treatment of all taxpayers. The proposed solutions are close to those binding in other countries with market economies.

In the tax system allowance will also be made for the rise of the autonomous system of governance represented by local governments.

a) Income Tax on Legal Entities

The existing 40-percent tax will be retained. To ensure equal treatment of [state, private] sectors, investment tax relief will not be granted, with the exception of the tax exemptions granted for the acquisition and installation of machinery and equipment in the dairy industry.

Instead of selective tax relief for investment projects, solutions intended to promote investments by all economic sectors will be introduced. This will be supported by:

- Introducing the right to deduct losses sustained in one tax year from the income achieved in the subsequent three years.
- Augmenting the resources available to the enterprises by raising depreciation rates and reappraising the value of their fixed capital.

- Exempting all investment goods from the sales tax, with the exception of passenger cars.
- Continuing to apply reduced customs duties on investment imports.

As a consequence of the reappraisal of fixed assets and increases in depreciation rates, the income-tax burden on the enterprises will be, despite the retention of the 40-percent tax, relatively lighter in 1991 than in 1990, because it will be reckoned from a different taxation base.

b) Sales Tax

For the transition period, until the value-added tax is introduced, the sales tax will be revised.

As of 1 January 1991, new guidelines for levying and collecting the sales tax on imported goods will be introduced. These guidelines will apply equally to the private sector (Law on the Sales Tax) and to the state and cooperative sector (Law on the Taxation of Entities of the Socialized Economy).

The sales tax on imported goods will be collected by frontier customs posts from all importers rather than, as previously, only from physical persons. Tax rates will be fixed at levels analogous to those applying to domestic products.

c) Value Added Tax

In the second half of 1991 the VAT will be introduced, replacing the traditional turnover tax.

The VAT is based on the uniform and universal taxation of the sales and imports of goods and services—with the exception of export sales.

The VAT is levied in a manner that does not cause that tax to accumulate during successive stages of processing. This is accomplished by deducting from the tax due the tax already paid when purchasing materials and services as well as investment goods.

It is proposed that the following differentiated VAT rates be applied:

- A basic rate of 18 percent.
- A rate reduced by five percent for processed foods, medicines, books and periodicals, and housing construction.
- A zero tax rate, meaning the refund of the tax paid during earlier stages of processing—for exports and, during 1991-92, for certain means of agricultural production (fertilizers, crop protectants, and livestock feeds).

At the same time it is expected that relatively unprocessed food products, agricultural products, and certain kinds of services will be exempted from the tax—not combined with refunding the tax paid during earlier stages of processing.

Irrespective of the value added tax, tax encumbrances of the excise kind will be retained for alcoholic beverages, wines, beer, tobacco products, motor fuels, motor oils, and jewelry.

The introduction of a value added tax close to its counterpart applied in EEC countries will facilitate international economic relations.

c) Personal Income Tax, Equalization Tax, Remuneration Tax, Wage Tax

Intensive preparations will be made to introduce, as of 1992, a universal and uniform personal income tax. The basis for that tax will be a uniform and progressive taxation of incomes regardless of their sources.

The personal income tax will replace—following its introduction on 1 January 1992—four heretofore employed kinds of taxes, namely, the income tax, the remuneration tax, the equalization tax, and the wage tax, and also the agricultural tax in the part thereof that concerns special domains of agricultural production.

For the transition period (during 1991) it is expected that the guidelines for the equalization and income taxes be correspondingly adapted to the conditions anticipated for 1991.

Equalization tax: In addition to the annual reassessment of the ceiling on tax exemptions and the alleviation of the scale of progression, it is expected that the maximum tax rate will be cut to 40 from 50 percent. At the same time, the ceilings on the housing and investment expenditures covered by tax-relief regulations are to be correspondingly revised.

Income tax: the tax scale will be alleviated so that the income-tax burden would be no greater than the burden on the incomes subject to the remuneration tax or the equalization tax. As with respect to legal entities, individuals, too, will have their investment-related tax relief opportunities reduced, but in return, their asset depreciation rates will be raised and the principle of deducting losses from the subsequent three tax years will be introduced. All forms of lump-sum taxation will be eliminated, with the exception of the so-called tax card, of which about 40-50 percent of private (chiefly service-providing) enterprises will continue to avail themselves. However, the tax-card rates will be adapted to the sales volume and incomes achieved by these enterprises during the first half of 1991.

e) Local Taxes and Fees

Local taxes and fees are: the real estate tax, the tax on means of transportation, the dog tax, and the bazaar, local, and administrative fees. They constitute the revenues of local budgets, and hence also the gminas [townships] will be fully authorized to administer these funds.

Maximum tax and fee rates will be determined in a decree.

Within legal limits, individual gminas will independently fix specific local tax rates. They will also be able to grant tax relief and tax exemptions. Only with respect to means of transportation the tax rates shall be determined, within the limits of the powers vested in him by law, by the minister of finance. However, even then, gmina councils will have the power to reduce these rates.

The proposed maximum local tax rates are:

- For the tax on the real estate used for business purposes: 15,000 zlotys per square meter of useful area of the building and 500 zlotys per square meter of ground surface area.
- For the tax on means of transportation: 500,000 zlotys for a passenger car and 900,000 zlotys for other vehicles.
- For the bazaar tax: 250,000 zlotys daily.

5. Reappraisal of Fixed Assets, Depreciation Rates, Dividends

The value of fixed assets as of 31 December 1990 will be reappraised so as to update it. In addition, as of 1 January 1991, the lower limit of the value of fixed assets will be raised to 3 million from 1 million zlotys. The book value of fixed assets will be increased by about 190 percent, that is, nearly threefold. Likewise, asset depreciation rates will be raised by an average of about 12 percent. These operations will markedly augment the operating capital of enterprises due to the attendant creation of a substantial sinking fund. The allocations to the sinking fund will increase by 215 percent, that is, nearly threefold.

At the same time, the value of charter capital will increase correspondingly. In this connection, the basic mandatory dividend rate for 1991 is expected to decline. As a result, the encumbrance on profits due to the need to pay the dividend will average eight to nine percent.

6. Revisions of Accounting Rules

As of 1 January 1991 uniform accounting rules will apply to all sectors. By the same token the postulate of equality before the law will be translated into reality for enterprises and other economic entities such as cooperatives, commercial-law companies, sole-owner enterprises, entities of state and local government administration, etc.

The Polish systems of accounting and financial reporting (balance sheets, profit and loss statements) will be completely adapted to the systems accepted in the countries of West Europe as based on the related EEC guidelines. This will enable foreign and Polish participants in international trade (as well as entities investing their capital) to reach complete mutual understanding of the rules followed in accounting and financial reporting.

As part of the reform of accounting, the accepted solutions will also be markedly simplified. This concerns, e.g., simplification of cost accounting and calculations, the possibility of writing off the full value of inventories

from the moment of their purchase, on condition that their final status be included in the balance sheet, etc.

Requirements will be differentiated depending on the size of the economic entity (e.g., the right to prepare simplified versions of balance sheets).

7. Banks and the Enterprises

a) Changes in Tax System

To streamline and broaden the scope of banking services:

- New commercial banks will begin operating.
- Initiatives for founding new kinds of banks, such as investment banks or mortgage banks, will be promoted. State banks will be commercialized, and subsequently privatized.
- Several major foreign banks will begin operating in Poland.
- Intensive measures will be taken to streamline the circulation of money and augment the share of cashless transactions.
- Measures will be taken to streamline the clearing of accounts among banks (among other things, a professional data teletransmission network will be organized, along with an interbank clearinghouse).
- The system of loan guarantees and sureties will be elaborated.
- Banks will be among participants in the capital market and mediators in the circulation of securities.

The broadening of credit contacts with foreign partners will be promoted by, among other things, the provision of loan insurance by insurance institutions.

Banks will expand their services to the new private firms by, among other things, providing them with deposit accounts and loan guarantees.

b) Monetary Policy

The basic rule of monetary policy will be to structure the money supply in a manner assuring the preservation of monetary equilibrium and stability of the domestic currency.

The interest rate policy will, as heretofore, allow for the need to assure a realistic and positive level of interest rates. That level will be indexed to the inflation level. This shall apply to both loan interest rates and bank certificates of deposit. This shall also mean that interest rates are subject to change.

Banks shall follow the rule of adhering to the requirements of creditworthiness and correspondingly securing loans. This means that a rigorous credit policy will be followed with respect to the enterprises which do not meet their obligations regularly—a policy including the penalty of earlier repayment of loans.

The operating conditions of the Polish economy in 1991 will be more difficult than heretofore. The magnitude of the complications caused by external factors [the Persian Gulf crisis, the oil shock] cannot at the moment be accurately foreseen. This uncertainty applies in particular to the first quarter of 1991.

In these circumstances, enterprises must demonstrate adequate flexibility and ability to rapidly adjust themselves to the changing situation in order to remain competitive in exports and on the domestic market. They must keep abreast of the changes in the external economic parameters and adapt themselves to the shifts in the cost and price ratios. In this way they will avert a worsening of their economic situation and create a convenient point of departure for future economic expansion.

Economic Experts Pose New Courses of Action

Government of Experts

91EP0160A Warsaw GAZETA WYBORCZA in Polish
10 Dec 90 p 10

[Article by Stanislaw Albinowski, economist]

[Text] The new government should be a government of experts. It should also provide staff continuity of our foreign policy and financial relations with the outside world.

This government will nr an interim government—until the next parliamentary elections. Hence the possibilities of long-range action are limited, making the immediate and programmatic actions even more important.

The president's first task should be to bring about a social peace pact, at least until the parliamentary elections. This pact, concluded between the government, parliament, and trade unions, must prevent the country from tumbling into a chaos of demands leading to strikes, and make it possible for the state to function without conflict.

True, the nation already has enough unfulfilled programs, nevertheless it is essential that a new economic strategy be developed. The program must be of a pragmatic character, i.e., it must be independent of any kind of options or doctrinal limitations. The main criterion is effectiveness.

I see the sequence of the most important problems requiring solution as follows:

- Halting the crisis and stimulating economic growth, and by so doing alleviating unemployment, maintaining inflation at the lowest possible level (in any case, not permitting a return of hyperinflation).
- Rebuilding the economy so as to produce a civilized market system.

- Providing a financial shield for the most impoverished strata of society, while eliminating all abuses.

The most difficult problem will be to stimulate economic growth without stimulating inflation. Such a solution is possible only if the structure of the economy is properly reworked in advance.

A new pragmatic economic strategy requires continuation of a hard (but not restrictive, contrary to Balcerowicz's concept) financial and monetary policy. At the same time, mechanisms of state intervention must be built into this strategy. Emphasis should shift from such market phenomena as, for example, subsidization of milk, coal, etc., to the structure of our economy. On the one hand, the burden of inefficient enterprises should be eliminated as quickly as possible, i.e., administratively, while on the other hand, the rebuilding of the technological, branch, and production structure should be assisted. The market alone cannot do this, especially because our producer-seller market continues to be degenerated and short on capital. It is not a question of the state giving more, only that the trillions which are now being pumped into maintaining the old structure be allocated for the construction of new structures, on raising the level of the quality and modernity of products and reducing the material- and energy-intensiveness of production. The lower—thanks to this—the “production for production” will be, the larger—using the same resources—the production of final goods, particularly consumer goods, will be. This is a condition for increasing market supply, and only then will the increased purchasing power of society not stimulate inflation. But competition in retail trade is necessary. It is now being simply destroyed by high rents and other financial burdens. Small specialty shops and Puma [name of a store] parlors are not an alternative to grocery stores. The financial independence of the gminas must be subordinated to the rules of economic wisdom and that is undoubtedly precisely one of the most urgent tasks of the new government's economic policy, for this is a matter which directly affects millions of consumers—who in a few months again will be electors.

Information Sharing

91EP0160B Warsaw GAZETA WYBORCZA in Polish
10 Dec 90 p 10

[Article by Andrzej Arendarski, president of the National Chamber of Commerce]

[Text] Perhaps I will disappoint our readers, but I believe that the government's first action should pertain to information. We have to show the people how much money there is in the State Treasury, what the needs are, and what the expenditures are. The miners should know that increases granted to them will mean cuts in wages for other occupational groups. Just as families at home calculate their expenses with pen and paper, the government, too, has to manage its budget out in the open so that the people can see.

I would also defend the stabilization program, at any price. I see no other alternative. The problem is that at the same time some of its restrictions must be eased, particularly those which cause hardship to society. How can this be done? I do not know. Certainly the people should be asked for their permission to continue Balcerowicz's program. Both the organized groupings (e.g., the trade unions, chambers of commerce), as well as the scattered Tyminski electorate. Some unconventional way must be found to get people to participate in government, to vote in the elections to parliament. The military should help in the reduction of crime. Selling on the streets should be taxed and evasion of customs duties should be stamped out. There are many such abuses. Compared to many of them, Schnappsgate [whiskey-smuggling scandal] was ordinary child's play. Society must know that the government governs. The guilty must be punished.

I am not an expert on agriculture, but the past treatment of this sector has been a real scandal. The new government must consider the interests of the peasants.

Surtax Issue

91EP0160C Warsaw GAZETA WYBORCZA in Polish
10 Dec 90 p 10

[Article by Janusz Goscinski, economist]

[Text] First of all, the government must decide whether to retain the tax on excessive wage growth. It was planned that next year it would vary according to the enterprise's form of ownership. This is in conflict with the accepted rule that all sectors of the economy are to be treated equally.

In my opinion, the tax should be eliminated entirely and replaced by another form of taxation. It causes a drop in the enterprise's profits—the higher the wages paid to employees, the worse the enterprise's profit figures.

The principle of social justice does not apply in economics. The government should not be afraid of differentiating, of granting relief (tax or credit) to those branches which are supposed to be the driving force in revitalizing the economy (e.g., the production of consumer goods). It is precisely those branches which have fared the worst in the present recession. The drop in production in those branches has been much greater than, for example, in heavy industry and mining.

We are in a period of stagflation—a decline in production and employment accompanies inflation. After the brief lull in inflation in July and August, prices rose during each of the months that followed. Predictions are that next year their average will rise 52 percent. This means that the stabilization program has been only partially successful.

A continuation of the present monetary policy will not bring us out of this situation because the economy cannot be restructured during a period of recession. I

believe that it is high time that economic policy go in the prosupply direction. Inflation is dangerous in a recession. A growth in personal incomes is not as dangerous, because when production is revitalized, the supply of goods on the market increases.

The next important question is the privatization and commercialization of state enterprises. Formal conversions are not enough to make enterprises operate according to rules of commerce. They will behave the same as state enterprises. Their existence must be made difficult by antimonopoly measures, a system of taxation, and opening up Poland to more import.

Privatization of Norblin Off to 'False Start'

91EP0157A Warsaw *POLITYKA* in Polish No 49,
8 Dec 90 p 5

[Article by Pawel Tarnowski: "A Question of Honesty"]

[Text] Several months ago, the Ministry of Ownership Transformation "penetrated the region" searching for candidates for a pilot privatization program. The Warszawa Metal Rolling-Mill, formerly Norblin, also found itself on the list of candidates. Today, it is already evident that this was not a particularly fortunate idea.

Together with Prochnik, Tonsil, a cable factory, Exbud, and a glassworks, the mill was to publicly sell its shares in December 1990. Norblin encountered a problem because it was classified in advance as one of the "six great," strong, financially stable enterprises that would be the first to change ownership, and successfully enough to become a good example, and an incentive for the emerging class of financial investors in Poland.

However, as is usually the case, life wrote a different scenario: less incentives and more instructions. One of the specialized UN organizations even wants to study this case thoroughly for the benefit of other enterprises destined for privatization. Therefore, instead of splendor and applause, we have the first case study. No doubt, this is not the kind of popularity that Norblin was striving for.

Actually, it is not really well understood why this enterprise, in particular, found itself among the first candidates for privatization. At a press conference called on the occasion of the commencement of the sale of shares in Poland, Deputy Minister Krzysztof Lis gave four criteria used as selection guidelines by his ministry. These are: a very good overall evaluation of the firm under consideration; its interest in changes and the presence of, at least, a partially prepared managerial staff; the presence of similar enterprises on the Polish market; and finally, regular contact with foreign countries.

Toward the middle of this year, when the first group was being completed, Norblin fulfilled only the last of the mentioned conditions. The rest was completely the opposite. It represented a monopoly at home, several

people in management were being replaced at that time, and the enterprise's financial situation underwent a drastic decline. To be sure, Zygmunt Kaminski, the firm's director at the time, and the employees themselves were bent on privatization, but there was more enthusiasm and hope in this than discernment of the actual possibilities.

The report of Polish experts from the Proexim consulting firm, who in perceiving some of the mill's weak points were, nonetheless, of the opinion that it is totally suited for privatization, played an important role in this initial phase. The analysis was conducted on the basis of data from the previous three years. This was a serious mistake because in 1990, the situation changed diametrically. Norblin no longer was what it had been before. Supplies increased whereas profits declined. Payment problems appeared. Naturally, this was well known in the mill. It seems, however, that the view that privatization would be the remedy for this kind of illness prevailed.

It appears that the Ministry of Ownership Transformation did not have better candidates since the group of English consulting firms, comprised of Cooper and Lyband Deloitte, Baker and McKenzie as well as Barclays Bank, was commissioned to prepare a full economic-financial evaluation of Norblin and present the methods of its privatization. These analyses came about with the outlay of large sums of money from the British aid to Poland fund, the so-called Know-How Fund. When their preliminary versions were ready, it turned out that the Workers Council as well as both trade unions did, indeed, want to have the mill privatized but most certainly not in cooperation with the officiating director.

Zdzislaw Kaminski, who won the competition here in 1984, was accused by the Workers Council of a "lack of cooperation" and "mismanagement manifesting itself in, among other things, the negotiation of contracts economically unfavorable for the enterprise." The Ministry of Industry did not see reasons to oppose the dismissal of the director. During a ballot vote, 10 of the 13 people present acknowledged the time had come to part [with the director]. The director tried to present explanations but this did not change anything.

In preparing a rebuttal for Z. Kaminski, the Workers Council drew up a brief note containing the economic results of the mill after seven months this year. It turned out that profitability, which came to 30 percent in 1989, fell to 10 percent; supplies increased more than three-fold; the bank debt came close to 100 billion zlotys whereas extraordinary losses came to 8.6 billion zlotys. What's more, when all of Norblin's liabilities toward banks, coproducers, and the State Treasury were deducted from revenues, it turned out that it was producing losses not profits. It is interesting to note that all these sad statistics, questioned in a not very convincing manner by the director under attack, served the Workers Council to substantiate the dismissal but were not used by the enterprise employees to revise the privatization

plans. They continued to want to be bought out. Even the number and price of shares as well as discounts for the employees were already set.

However, the development of events in the mill was not to the liking of the British consulting firms. In the West, the privatization of an enterprise at the moment that a changeover in the major part of the management staff is taking place is simply unacceptable. Their stock markets are able to react negatively to such dramatic events as the divorce of a company president not to mention what would happen if he were to be replaced. At Norblin, things came to a head and the sudden replacement of the firm's managing director occurred right at the threshold of the ownership conversion process. In Poland, this is really not any reason to put off privatization. However, for the British living in a different world, the affair was significant enough to cause them to give it serious thought.

"If this were only a question of the director," stated Krzysztof Borusowski from the Ministry of Ownership Transformation, "the privatization of Norblin would probably have taken place as scheduled. The problem is in that the Barclays Bank reports are considerably less optimistic than Proexim's evaluations. The British feel that Norblin is currently in a financial depression stage, having drawn excessively large amounts of credit with its own resources being too small and having to repay large capital investment loans—briefly speaking, this is not a good time to begin converting to a joint-stock company. Naturally, these views could be ignored. After all, the decision is up to the ministry but we are not paying the consultants all this money not to use their advice." Krzysztof Borusowski feels that Norblin will be ready for privatization in the first half of 1991. The way this will be done has again become an open issue. For the time being, we only know that, as yet, more precisely undefined changes will take place.

The mill has a new director, Mieczyslaw Baldy, who does not want to talk about his predecessor whatsoever. In his opinion, the sole reason for the postponement of the privatization schedule is the firm's difficult financial situation. He is not looking for anyone to blame. He is able to enumerate many reasons for the problems. "In the past years," he states without nostalgia, "the mill would buy raw materials, mainly copper, at lower domestic prices and sell the finished products on the world market where prices for both were significantly higher. This abnormal situation ended beginning in January; profits had to drop. In addition to all of this came the necessity of paying off investment credit, drawn during different times and in a different economic situation, topped off by an unsound financial policy and the unnecessary accumulation in the plant of overly large supplies which today cost huge amounts of money to maintain.

The director feels that in previous years the mill did quite well for reasons that were actually unattributable to it. Everything has changed since January. Demand has fallen in the country; abroad, it is necessary to fight with the competition on equal terms, and when raw material constitutes three-fourths of the value of the product, the field of operation cannot be extensive. The situation is more difficult and life is more difficult. There were also mistakes made in management. All of this, unfortunately, coincides with the privatization plans. Great expectations among people are being stirred up that simply cannot be met right now.

The director plans on introducing reforms and expects at least partial understanding from the work force which already knows that because of the tax guillotine, there will be no wage increases this year in the commercialized Norblin (the mill is a one-man partnership of the State Treasury). He does not rule out the necessity of hiring advisers from abroad who will participate in the inevitable technological and organizational changes. He is awaiting the Barclays Bank group's preparation of alternative possibilities of Norblin's privatization because the successful public sale of shares currently appears to him relatively unlikely. It is not unlikely, however, that the mill will look for investors abroad and among other, stronger enterprises. All roads are again open.

Thus, Norblin had a "false start" which perhaps would not have occurred if undue faith had not been placed in Proexim's report prepared on the basis of data from the previous era. However, it is impossible to bend reality to conform with one's wishes and hopes. Under such conditions, the public issue of shares could have ended in financial disgrace after a certain period of time. Neither the British consulate nor the ministry wanted to act as figurehead in this. Most likely, the mill's work force also was aware that this was not the direction to be taken.

"A privatized enterprise," claims Jacek Kinowski, a Solidarity advisor and Ministry of Ownership Conversions expert, "should be a device for making money. Norblin has not given such guarantees thus far. Forced privatization would simply be dishonest whereas the risk facing the shareholders, overwhelming. And that is why it was necessary to postpone it."

Therefore, Norblin's case confirms the argument that privatization by way of the public sale of shares is, indeed, only for strong enterprises, stable financially and with a stabilized work force, and capable of surviving the current economic crisis. However, there seems to be relatively few such enterprises. The majority of state enterprises should probably look for other ways of implementing ownership conversion if they do not want to damage their good name and cause naive or inexperienced investors to incur losses. This lesson should, indeed, be useful to all interested parties. For now, it was not even all that painful but these are times when it is particularly worthwhile to be prudent.

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